

# The NATIONAL UNDERWRITER

62nd Year, No. 9

—The National Weekly Newspaper of Life Insurance—

March 1, 1958

## Dowell Gives N. Y. Life Position On Group Term

ALBANY—New York State Assn. of Life Underwriters has released the text of a letter from Executive Vice-president Dudley Dowell of New York Life putting that company on record as favoring a statutory limit per life on group term life that may be sold by New York licensed companies.

The association is backing a bill for a straight 1½ times earnings limit. New York has had no limit for some years.

New York Life's position "represents an important milestone in our long battle to obtain amount limit legislation in New York state," said Joseph N. Desmon, general agent of Continental Assurance at Buffalo and president of the New York state association.

### Answer To Association Inquiry

Mr. Dowell's letter was in answer to an inquiry from Managing Director Spencer L. McCarty of the state association regarding the company's policy and philosophy as to legislative group limits.

"We have a conviction," Mr. Dowell wrote, "that life insurance has a basic job to do and in doing it plays an essential role in our democratic society. . . This role cannot be played by temporary insurance. The problem of family security is not a temporary one. The foundation of family protection requires permanent insurance."

Emphasizing that temporary insurance also has an important contribution to make, as the growth of family income and group coverages indicate, Mr. Dowell said the important point is that permanent and temporary insurance each has its distinctive role and each should be kept in proper perspective.

Since group life is temporary replacement of income at the breadwinner's death, "it seems to us that the measure of adequate coverage is the level of the breadwinner's earnings," whether for high incomes or low, Mr. Dowell pointed out. If a plan provides, say, 18 months' salary continuation for the rank and file, it properly should provide a corresponding amount for executives.

### Find No Basic Fault

"We can find no basic fault in such a design," Mr. Dowell wrote. However, New York Life doesn't care for plans that give executives proportionately more than the rank and file, or for plans for executives alone, whether or not superimposed. The company feels that no plan should be underwritten unless actuarially sound; and where a medical examination is required "it would appear that we are at the limits or beyond the limits of true group insurance."

There are also such considerations as possible adverse effects of unreasonable limits on life insurance taxation, said Mr. Dowell, but the major consideration is simply that the public interest will not be served if people think they can rely on tempor-

ary insurance to do what permanent insurance does. To help people think clearly about this is not merely a personal service, but a public service of the first order, he said.

Mr. Dowell said that even in situations where executives may have sizable amounts of group insurance, an important need for ordinary invariably exists and that this is the place where a well trained agent can effectively bring to bear his knowledge of business and personal insurance programming.

## January Life Sales Of \$5,402,000,000 Set Mark For Month

January life insurance sales totaled \$5,402,000,000, up 25%, and set a record for the month, according to LIAMA.

Ordinary sales of \$3,467,000,000, up 8%, and group sales of \$1,507,000,000, up 125%, also set new January marks. Much of the huge group increase came from conclusion of union negotiations which resulted in large cases covering employees of New Jersey, Illinois, Michigan and Cincinnati Suburban Bell Telephone companies and from a big contract on school teachers in New Jersey. Industrial sales were \$428 million, down 9%.

The group figures represented only new groups established and not additions under existing contracts.

## NALU Group Committee Asks Study Of Premium Tax For 'Blue' Plans

WASHINGTON—Needled by the continued subsidized competition of the



Harry N. Philips

"non-profit" hospital and medical plans, the group committee of National Assn. of Life Underwriters is seeking a study of the state legislative aspects of these plans "and particularly the desirability and feasibility of having those organizations subjected to premium taxes, agents' qualification laws, insurance department supervision" and the like.

The report containing this recommendation is tentative, being subject to final action by the committee, the NALU national council, and the NALU board, at the midyear meeting March 23-27 at Birmingham.

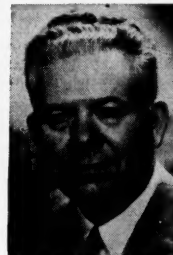
The proposed study would be made by a special subcommittee which would be instructed to report at the NALU annual convention in Dallas in September.

The draft report points out that a

## NALU Gets Title To Site For Building

WASHINGTON—The culmination of several years of negotiation, an agreement has been signed for the exchange of properties between National Assn. of Life Underwriters and the federal government.

This paves the way for the long-awaited starting of construction of NALU's million-dollar headquarters building here on C street between 22nd and 23rd street, N. W.



Charles E. Cleeton

### Broke Ground In 1956

Ground was broken for the new building during the NALU annual convention in Washington in 1956 but construction has been held up because of negotiations needed to get a deed that would not be unreasonably restrictive as to type of use.

By exchanging its original site at 22nd and C streets, N.W., for the new site, NALU is acquiring not only a much larger site for its building but a more beautiful one, Charles E. Cleeton, Occidental of California, Los Angeles, chairman of the building committee, pointed out in making the announcement. Mr. Cleeton is a past president of NALU.

The site is directly across C street from the projected State Department building, which will be one of the largest and most beautiful buildings in Washington.

## Pru Sales Climbed To \$11.2 Billion, Led Industry Again

Increase In 1957 Was 36%; Ordinary \$7.7 Billion, Up \$2.5 Billion From '56

NEWARK — Prudential's sales jumped 36% during 1957 to set a new record of \$11,296,000,000 and again lead the country in new business.

Ordinary, including "employee security program" sales to small businesses, accounted for \$7.7 billion, as against \$5.2 billion in 1956.

Monthly debit ordinary sales were \$1.6 billion, an 80% increase. Weekly debit sales, continuing their downward trend, were \$145 million, as against \$243 million the previous year.

### Group Life \$1.8 Billion

Group life sales were \$1.8 billion, second highest in Prudential's history, off \$158 million from the record year, 1956.

Annual premiums on individual A&S sales in 1957 totaled \$25.7 billion, up \$1.7 billion. Individual A&S contracts now cover 1,250,000 persons.

The 1957 sales brought insurance in force on Prudential's 34 million policyholders to \$65 billion, as against \$58 billion a year earlier.

Assets rose to \$13.9 billion, up \$657 million. Payments to policyholders and beneficiaries were \$1.3 billion, up more than \$170 million.

Investments made in 1957 in business, industry, housing and agriculture totaled \$1.4 billion, bringing the total of such investments to more than \$11 billion.

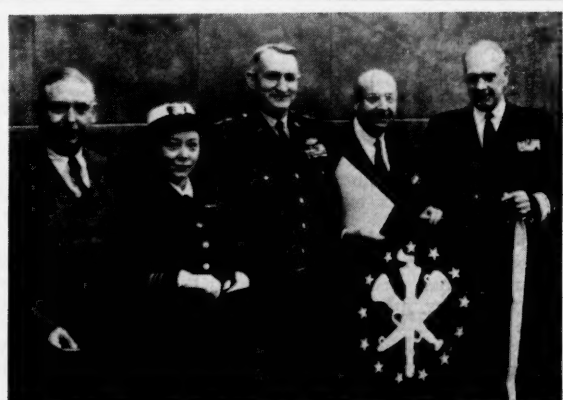
The rate on investment earnings, before federal income taxes, rose from an average of 3.76% in 1956 to 3.88% in 1957. Federal income taxes of \$38 million resulted in net earnings of 3.58%, as against 3.47% for 1956 and was the highest in the last 20 years.

Group A&S showed a gain. Annual premiums from 1957 sales amounted to \$23.7 million, as against \$22 million.

### U.S. Department of Defense has conferred a citation upon Metropolitan Life for outstanding cooperation with the armed forces reserve program.

Rear Adm. Chester C. Wood, commander of the third naval district, presented a pennant and a certificate to President Frederic W. Ecker at the home office.

Shown (from left) are Cecil J. North, executive vice-president; Elsie U. White of Metropolitan's advertising department, a lieutenant commander in the naval reserve; Maj. Gen. Raymond E. Bell, commanding general of the second U. S. army corps reserve; Mr. Ecker and Admiral Wood.



Shown (from left) are Cecil J. North, executive vice-president; Elsie U. White of Metropolitan's advertising department, a lieutenant commander in the naval reserve; Maj. Gen. Raymond E. Bell, commanding general of the second U. S. army corps reserve; Mr. Ecker and Admiral Wood.

# HIA Forum Hears How Labor Views Voluntary System

## Health Insurance Wins De Facto Recognition, UAW Official Says

Labor, long partisan toward health insurance through legislation, has awarded voluntary health insurance a de facto recognition, Jerome Pollack, social security program consultant of United Auto Workers AFL-CIO, said in explaining labor's viewpoint at the group forum of Health Insurance Assn. last week at Chicago.

Mr. Pollack tempered his praise for the voluntary system with the challenge that "the agenda of health insurance starts with its unfinished business," and he indicated that there was much unfinished business to be done in the eyes of labor. He described group A&S as being in a period of transition and he predicted that within five to 10 years health insurance will double in volume and will probably cover two-thirds of all medical costs.

Shortcomings of present plans which labor feels must be met, he said, are that less than one-third of the nation's total health bill is paid for under current programs, the older citizens are not sharing the benefits, and health insurance is tied to employment and the worker can be left without if he is laid off.

A serious problem is the "unrelenting increases" in costs of hospital prepayment plans, he declared. These runaway costs threaten to keep people from getting proper medical care. He attributed these costs largely to faulty use of hospitals, abuse by subscribers and lack of incentives for economy. A study in Boston, he said, revealed that two-thirds of the patients being hospitalized did not need active hospital care.

### Labeled 'New Look'

Mr. Pollack cited four features of what he labeled a "new look" in health insurance. These were movements for more inclusive care, more attention to serious health needs, full payment, and full controls.

"Major medical is the most conspicuous example of the new look in health insurance," he remarked. "Major medical will be credited with having seized leadership, covering whole areas of care previously neglected and paying attention to serious and long term illness."

Mr. Pollack then cited a study in Michigan in which eight out of 10 workers surveyed favored health insurance which covered both minor as well as major costs of illnesses.

In order to get broader coverage, broader controls must be developed, and these controls must be operated when and where the fees are made, he declared. The willingness of the medical profession to cooperate with health insurance has been underestimated. Many doctors in a Michigan survey have indicated they would be amenable to more supervisory control over fee scheduling.

Charging hospital associations as being essentially collective bargaining

agencies for the hospitals themselves, he said these associations can review justification for hospital costs with about "the objectivity of a person psychoanalyzing himself."

Progress is being made by some medical societies toward more comprehensive protection and by a new group-practice plan being undertaken in Detroit, Mr. Pollack noted. Labor is sympathetic toward this community health association type of experiment, he said.

One undisputed advantage the voluntary system has over a legislative program is its latitude for experimentation. However, this has not been exploited to advantage, and more experimentation is needed to show how far insurance should go, he said.

Describing health insurance as being in its adolescence, Mr. Pollack said it has not yet attained maturity, and that is why it is praised for its growth and also criticized by those who believe a "full-scale" system of insurance is needed now.

## Elect R. N. Lewis President Of LUTC

Richard N. Lewis, vice-president and agency director of Great National Life of Dallas, has been elected president of Life Underwriter Training Council to succeed Chester T. Wardwell, associate general agent of Connecticut Mutual at Peoria.

Succeeding Mr. Lewis as vice-president of LUTC is Henry A. Kirsch, Aetna Life, Shreveport, who has been a trustee. Newly elected trustees are Alexander Hutchinson, 2nd vice-president of Metropolitan Life; Lester A. Rosen, Union Central, Memphis, and Vernon E. White, Northwestern Mutual, Albuquerque.



R. N. Lewis

Foster C. Law Jr., vice-president of Moncrief Furnace Co. of Atlanta, (center) was the first person in Georgia to buy a policy from Life of North America. Lester S. Hardwick of Garlington-Hardwick Co., agents in the sale, (right) is shown delivering the policy. Harry Richardson, life manager of North America in Atlanta, looks on. Mr. Law was the first man in Atlanta to buy a homeowners policy from North America five years ago.



## O'Mahoney Promises Objective Study Of Insurance Business

WASHINGTON—Sen. O'Mahoney has written Commissioner McConnell of California, "Please be assured that this subcommittee (anti-trust and monopoly) intends to make a thoroughly objective study of major problems in this (the insurance) industry, which so vitally affects the entire nation."

Sen. O'Mahoney, who is chairman of the Senate anti-trust committee that has launched a major inquiry into insurance, said in his letter to Mr. McConnell that he has asked Donald P. McHugh, co-counsel to the committee, to get in touch with the California commissioner and arrange to get from him the information he recently offered in a letter to Sen. O'Mahoney.

### New Cal. Local Receives Charter

Midvalley Life Underwriters Assn., recently organized at Yuba City, Cal., has received its charter from the national association. James Taresh, Marysville, is president and Virgil Biggers and Quention Enos, both of Yuba City, are vice-presidents.

## Joy Luidens Resigns Chicago Assn. Post

Joy M. Luidens, executive secretary of Chicago Assn. of Life Underwriters for 22 years and with the association



Joy M. Luidens



Kathryn Garbrant

29 years, has resigned. Kathryn Garbrant, assistant secretary and with the association 22 years, has been appointed executive secretary to succeed Miss Luidens.

In her letter of resignation to President Gerhard C. Krueger, Equitable Life of Iowa, and the board, Miss Luidens pointed out that after almost three decades of strenuous work devoted to the association she had decided, on the urging of her friends and family, to "slow down a little." She intends to enjoy an extended vacation and then spend some years fulfilling an ambition—social service work and further study.

### Played Major Role

Along social service lines, Miss Luidens played a major role in coordinating the activities of the Chicago association's community affairs committee in its "Operation Mental Health" program. The life agents were lauded highly in the press and by Chicago State hospital for their continuing efforts to entertain and help the some 5,400 patients at the hospital.

When Miss Luidens began with the association in 1929, the group was just about getting started with 467 members. She served as secretary to the then managing director, the late Walt Tower. On his death in 1936 she was made executive secretary and by board action some years later also received the title of secretary-manager.

During her tenure, membership has reached a total of more than 2,300. Additionally, with more than 50 agencies in Chicago's Loop area having

(CONTINUED ON PAGE 23)

## Companion Companies Record Gains

A report of the 1957 results of Mutual Benefit H.&A. in last week's issue was wrongly attributed to United Benefit Life. The mix-up was occasioned by a misunderstanding on the part of a member of the editorial staff of THE NATIONAL UNDERWRITER. At the time the story was printed, the 1957 figures of United Benefit Life had not been released, but they are now available and in an effort to give due credit to each of the Companion Companies, the correct figures for Mutual Benefit H.&A. and United Benefit Life are presented herewith:

### Mutual Of Omaha

Premium income of Mutual Benefit H.&A. in 1957 was \$180,341,043, a gain of \$8,750,000. The company had a gain in accident insurance, including air travel, of 19.1%, in group insurance of 34.2% and in the disability income and hospital-medical lines. Benefits paid in 1957 were 4.9% above those in 1956.

Premium renewals were 96.2%, a record for Mutual of Omaha.

President V. J. Skutt told the directors that the 13 story addition to the home office should be occupied by April. It is the second addition to the building since it was constructed in 1940.

### Operate In 37 Countries

He also reported that international operations were stepped up in 1957, with air travel insurance now avail-

### United Benefit Life

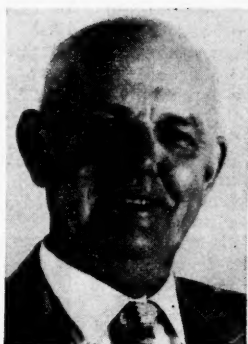
N. M. Longworth, president of United Benefit Life, said the company experienced an \$88,519,754 increase in insurance in force over the 1956 figure, producing a total at the end of 1957 of \$1,699,395,075.

United of Omaha, which is among the top 4% of the nation's more than 1,000 life insurance companies, had assets at the end of 1957 of \$286,948,452, an increase of more than \$21 million.

able in 37 foreign countries.

Through the government's military dependents' medical care program, Mutual of Omaha paid out \$11,868,556 in benefits last year. The company is disbursing office and fiscal agent for the medicare hospital and private nursing service of the Defense Department in 17 states.





WARREN A. GRADY

At age 60 Warren A. Grady came to Franklin in North Carolina after having spent many years in New York with a large national drug house.

New to North Carolina and to the insurance business, here is his record of three years' accomplishment.

Cash earnings for the past three calendar years:

1955 . . . . .	\$ 9,931.03
1956 . . . . .	12,930.24
1957 . . . . .	15,958.40

GENERAL AGENCY  
OPPORTUNITY IN  
CHICAGO AREA

## It gets better all the time!

Goldsboro, North Carolina  
January 4, 1958

Mr. James A. Hands, Vice President  
Franklin Life Insurance Company  
Springfield, Illinois

Dear Jim:

It gets better all the time. When I started with Franklin a little over three years ago, at age 60, I would not have dreamed that so many wonderful things would happen. When I signed my Franklin contract I was deeply in debt, discouraged, and about ready to conclude that the best part of my life had gone with the wind. But I've found that "It Ain't Necessarily So." My 1955 income was approximately \$10,000; 1956 showed a considerable increase; and in 1957 I earned a total of \$15,958.

I have given much thought to my happy situation, and the only answer is Franklin Exclusives, plus my willingness to work. Along with my personal production I have built the top general agency in North Carolina, and I am not through building.

Definition of a good salesman has been, and always will be, "a fellow who works."

I look forward to an even better year in 1958.

Sincerely,

Warren A. Grady

*An agent cannot long travel at a faster gait than the company he represents!*



### *The Friendly* **FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT      SPRINGFIELD, ILLINOIS  
DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans*  
Over Two Billion Seven Hundred Fifty Million Dollars of Insurance in Force

## Ray Murphy Retires; Name Oates Chairman Of Equitable Society

Ray D. Murphy, chairman of Equitable Society for two years, has retired. James F. Oates Jr., president and chief executive officer since last year, has been elected to succeed him and will serve as president and chairman.

Mr. Oates, a director since 1955, was chairman and chief executive officer of Peoples Gas, Light & Coke Co. of Chicago before joining Equitable Society a year ago. He previously practiced law in Chicago for 25 years.

Mr. Murphy, with the company since 1913, was appointed vice-president and actuary in 1936, became a director in 1947 and was elected executive vice-president and actuary in 1950. He was elected president and chief executive officer in 1953. He will remain as a director and member of the executive and insurance committees of the board.

Mr. Murphy, 71, is past president of



R. D. Murphy



J. F. Oates Jr.

Life Insurance Assn. of America and the former Actuarial Society of America. When the latter organization was merged with Institute of Actuaries to form the present Society of Actuaries, he was a leading figure in the consolidation and served on the first board of governors. He was one of the organizers of Institute of Life Insurance. For nine years he was chairman of the actuarial advisory committee to the veterans administration on National Service Life Insurance. He has written a number of important papers on life insurance.

## No. American Life Of Chicago Has 9th 'Best Year' In '57

North American Life of Chicago in 1957 had its ninth consecutive "best year" in new life sales, which rose to \$66,750,165. This exceeded by \$5½ million the previous all-time high of 1956. Average size policy for 1957 was \$6,237, another all-time record. Of the total of new business written, \$16,537,000 was produced by agents and general agents with the company less than two years.

Life in force reached \$295,319,674 in 1957, an increase of \$36,233,314, and the largest yearly gain ever. Payments to policyholders also set a record total—\$3,189,202. Living policyholders received \$1,877,487 of this amount, the balance being paid to beneficiaries. Total benefit payments now amount to \$52,347,680.

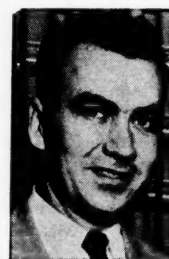
At the board meeting following the stockholders' meeting it was voted to

increase the capital structure from 750,000 shares of stock to 787,500. Additional shares will be issued March 28 of this year to stockholders of record March 13, equal to 5% of the number of shares owned by each on that date. This action increased capital to \$1,575,000.

Also, a 5% dividend was declared on the 787,500 shares, payable Aug. 25, 1958, to stockholders of record Aug. 14. A 5% dividend on the 750,000 shares was declared payable Feb. 24, 1958, to stockholders of record Feb. 13.

## Wheeler Promoted To Chicago Manager Of National Underwriter

Andrew J. Wheeler, associate manager of the National Underwriter Co.



A. J. Wheeler

at Chicago, has been named manager, succeeding the late Otto E. Schwartz.

Mr. Wheeler for some time had been working with Mr. Schwartz. He joined the National Underwriter Co. sales organization in 1946 at Chicago. He was at San Francisco as Pacific coast manager in 1955 and 1956, returning to Chicago at the beginning of 1957.

Robert J. Wieghaus and William D.



R. J. Wieghaus



W. D. O'Connell

O'Connell continue as resident managers at Chicago. Mr. Wieghaus is a five-year veteran of the Chicago sales department and Mr. O'Connell has been with the company since 1956.

## Economics Society Executive Unit Meets At Chicago

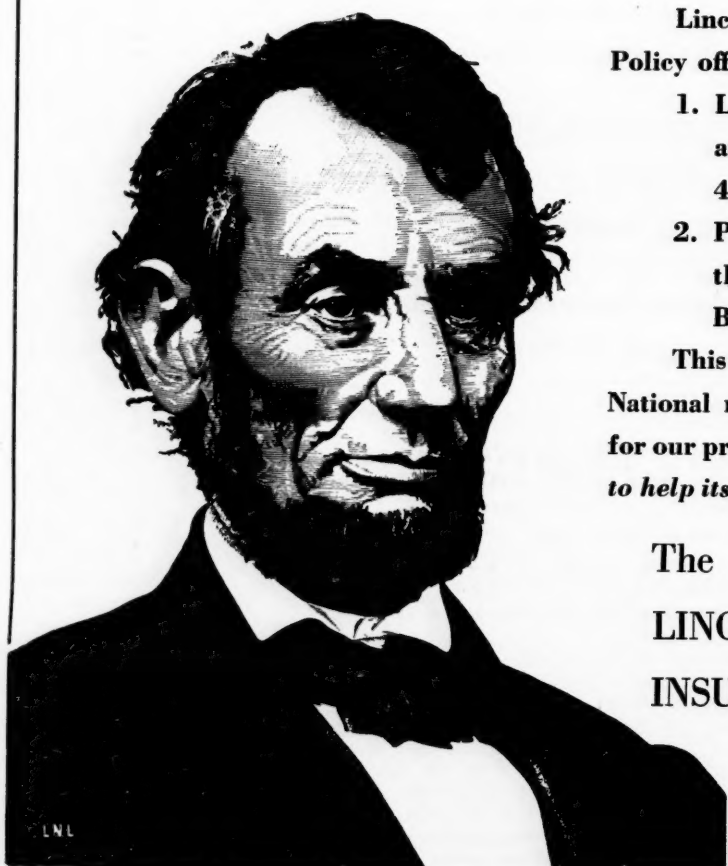
The executive committee of Insurance Economics Society met in Chicago this month, the principal order of business being a report on the legislative picture in the field of compulsory sickness insurance by E. H. O'Connor, managing director.

Other items of business included the report on finances by C. C. Cox of North American Accident, acting for the treasurer, R. D. Wisely.

Mr. O'Connor called attention in his report to introduction of the usual compulsory cash sickness bills in Massachusetts for the 10th successive year, and commented on a bill in the Michigan legislature. In Congress, he said, more than 300 bills proposing amendments to the social security act have been introduced.

One of the guests was C. O. Pauley, retired managing director of H&A Underwriters Conference and the first president of the society when it was reactivated in 1942.

## LNL's NEW FAMILY POLICY



Lincoln National's new Family Policy offers these advantages:

1. Lower rates on larger policies are provided by LNL's new 4-Dimensional premiums.
2. Premiums can be paid through LNL's Automatic Bank Check plan.

This latest addition to the Lincoln National man's kit is another reason for our proud claim that *LNL is geared to help its field men.*

The  
LINCOLN NATIONAL LIFE  
INSURANCE COMPANY

Fort Wayne, Indiana  
Its Name Indicates Its Character



## N. Y. Life Re-aligns Field Organization; Changes V-P Titles

Changes in the designation of New York Life's field vice-presidents, each of whom will become a regional vice-president in charge of a sales area, establishes a re-alignment of the field force, according to Dudley Dowell, executive vice-president, who has general direction of agency and group operations in addition to other duties.

Under the re-alignment, Vice-president Raymond C. Johnson will continue in charge of agency affairs. He will be assisted by four vice-presidents, each with specific home office assignments as well as responsibility for a geographical zone which will consist of three sales regions.

The vice-presidents are Leland F. Lyons, who supervises the agency department's management and development program and the Pacific zone; G. Thomas McElwrath, who supervises the field training program and the central zone; Paul A. Norton, who supervises the new and multiple market development and the eastern zone, and Andrew H. Thomson, who supervises sales development, promotion and agency relations and the western zone.

### Included In Eastern Zone

The eastern zone under Mr. Norton will include Don Parker, regional vice-president, and W. Earl Manning Jr., assistant regional vice-president for the greater New York region, with headquarters at New York; James D. Dunning, regional vice-president for the northeastern region, which covers Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont and upper New York State, with headquarters in Boston; and Robert S. Hussey, regional vice-president for the middle Atlantic region, which covers Delaware, District of Columbia, Maryland, southern New Jersey, Pennsylvania and northern Virginia, with headquarters in Philadelphia.

The central zone under Mr. McElwrath will include F. Turner Munsell, regional vice-president for the north central region, which covers Indiana and Illinois, with headquarters in Chicago; Verne S. Stanford, regional vice-president for the east central region, which covers Kentucky, Michigan, Ohio and West Virginia, with headquarters in Cleveland; and John O. Gaultney, regional vice-president for the south central region, which covers Alabama, Florida, Georgia, Mississippi, North and South Carolina, Tennessee and southern Virginia, with headquarters in Atlanta.

### Included In Western Zone

The western zone under Mr. Thomson will include Walter Weissinger, regional vice-president for the northwestern region, which covers Iowa, Minnesota, North and South Dakota and Wisconsin, with headquarters in Minneapolis; Harold W. Schenke, regional vice-president for the midwestern region, which covers Colorado, Kansas, Missouri and Nebraska, with headquarters in Kansas City; and Vernon V. Van Leuven, regional vice-president for the southwestern region, which covers Arkansas, Louisiana, New Mexico, Oklahoma and Texas, with headquarters in Dallas.

The Pacific zone under Mr. Lyons will include Dudley S. Bates, regional vice-president, and Paul O. Klein, assistant regional vice-president for the

central Pacific region, which covers northern and central California, Nevada and Hawaii, with headquarters in San Francisco; Frank W. Satter, regional vice-president for the north Pacific region, which covers Idaho, Montana, Oregon, Utah, Washington and Wyoming, with headquarters in Seattle, and Charles F. Edwards, regional vice-president for the south Pacific region, which covers southern California and Arizona, with headquarters in Los Angeles.

The Canadian division, under the direction of Mr. Norton, with Fred A. Wade, field vice-president, in charge, will retain its present designation. It consists of nine general offices and 12 sales offices spread across the country.

## Ohio National Sales Reach \$141 Million

Ohio National Life's sales in 1957 reached an all-time high of over \$141 million, bringing the total amount of insurance in force to almost \$902 million, according to President M. Rey Dodson at the annual meeting. Benefits paid policyowners and beneficiaries totaled \$13 million, an increase of 15% over the preceding year.

Assets have doubled in the last 10 years and total over \$181 million. Capital and surplus now amount to almost \$11½ million, over \$1 million being added to surplus last year. The company reports that it soon will be completely mutualized, since only one-sixth of the original capital stock remains outstanding.

All officers were re-elected.

## Name Bleichen V-P Of Hancock, Miss Divver First Woman 2nd V-P

John Hancock has elected Gerhard D. Bleichen vice-president and secretary, Paul E. Tierney 2nd vice-president and auditor, research, and John A. White to the new post of general auditor. The changes are in line with an expansion in the scope of operations of the secretary's department and the accounting and auditing department.



Margaret Divver

Miss Margaret Divver, advertising manager since 1948, and John M. Boormeester, associate actuary since 1954, have been elected 2nd vice-presidents.

Mr. Bleichen, secretary since 1955, joined the company as an attorney in 1939 and was elected 2nd vice-president in 1953 and 2nd vice-president and counsel in 1954.

Mr. Tierney, 2nd vice-president and auditor since 1953, previously held the posts of auditor, assistant auditor and special consultant. Mr. White, director of accounting and auditing since 1956, previously served as associate controller, assistant controller and expense analyst.

Miss Divver will relinquish her re-

sponsibilities as advertising manager and assume new duties in the field of special promotion in women's activities as they apply to life insurance. She will report to Vice-president John L. McCrea. She is the fourth woman to become an elected officer of John Hancock in recent years and is its first woman 2nd vice-president.

Mr. Boormeester has been active in the development of data processing procedures and has been secretary of the committee on machine operations since 1952.

## Equitable Society Names J. H. Smith Underwriting V-P

J. Henry Smith has been appointed underwriting vice-president of Equitable Society and will coordinate the activities of the service, underwriting and medical departments. This is a new post.

Mr. Smith, vice-president and executive assistant to President James F. Oates Jr. since June, is president of Health Insurance Assn. of America. He entered the business with Equitable in 1930 and held various posts until 1935 when he joined Travelers to specialize in group and annuity underwriting.



J. Henry Smith

He returned to Equitable in 1942 as assistant superintendent of the actuarial bureau, becoming 2nd vice-president and associate actuary in 1951 and vice-president and associate actuary in 1953. He is a fellow of Society of Actuaries.

## Average Candidate For First CLU Exam Has 5 Years In The Business

A profile of candidates who registered for their first CLU examinations last June reveals that, on the average, they were 33 years old and had been in the business five years. Four out of five were in the field and 53% were college graduates.

This profile is contained in American College's annual report just released. A new kind of introductory section in the booklet summarizes the college's picture for the 1956-57 academic year.

Other highlights in the report indicate that, based on several surveys, CLUs in general tend to stay in the business, stick with the same company and earn a medium income of at least \$14,000 from life insurance sales alone.

Tabulations show that the figures for newly registered candidates, number of persons taking examinations, and number of examinations taken have increased steadily for seven years.

The college has granted the CLU designation to 6,719 persons since it was established in 1927. An additional 9,504 have received credit for passing one to four of the series of five examinations.

Copies of the report may be obtained from the college at 3924 Walnut street, Philadelphia.

ROBERT HEINTZ (Washington National's agent in Mt. Pleasant, Michigan) explains the Company's new Family Plan Policy to his wife and eight children



BOB HEINTZ VOICES THE OPINION OF ALL—"The new Family Plan Policy is sure to increase your earnings"

AS PURCHASER OF THE FIRST Family Plan Policy issued by the Washington National, Bob recognizes a bargain when he sees it.

He foresees valuable protection for not only his own family, but also for his community's "New American Families"—those vibrant with growing youngsters.

Agent Heintz knows that this low-cost addition to an already complete portfolio of Life and A & S coverages makes a selling career with Washington National even better in the years ahead.

In buying Washington National's first Family Plan Policy, Bob Heintz bought an important stake in the future.

Write the Director of Agencies for more details

WASHINGTON NATIONAL INSURANCE COMPANY

EXECUTIVE OFFICES • EVANSTON, ILLINOIS

LIFE • ACCIDENT • SICKNESS • GROUP • HOSPITAL-SURGICAL • FRANCHISE



## Insurance In Force Of National L.&A. Up \$371 Million

National Life & Accident had a gain of \$371 million insurance in force in 1957, giving a total Dec. 31 of \$4,975,000,000. The year's gain made it the company's second best growth year.

Assets increased during 1957 by \$58½ million and totaled \$696 million. The annual report showed that of the \$280 million of bonds owned, there were no defaults either of principal or interest for 1957; and of the \$309 million of mortgages, there had been no foreclosures on a conventional loan since 1943.

### Continues Field Expansion

National L.&A. is continuing to build its own offices in the field and has now completed and occupied 72 buildings in 54 different cities, has four under construction and seven in the planning stage. The home office will expand into the Memorial Hotel build-

ing purchased last year, as soon as remodeling work is completed.

The growth reflected some important trends, according to Edwin W. Craig, chairman, with substantial gains in the volume of policies sold in amounts of \$5,000 to \$10,000 and up, and a trend toward less frequency in modes of premium payment. For that reason, National Life & Accident introduced last autumn a comprehensive revision of its policy equipment and underwriting procedures to meet the expanded market for larger policies.

### Michigan Life Reports On 1957 Operations

Michigan Life at the end of 1957 had \$295 million insurance in force, an increase of more than \$50 million. The company paid \$5,733,000 in benefits and had a total income of \$8,460,000. Assets rose to \$16,756,000.

Leroy J. Burlingame, Milwaukee attorney of the firm of Burlingame, Gibbs & Roper, has been elected to the finance committee of the board of Northwestern Mutual Life.

## Aetna Life Names Three V-Ps, Makes 16 Other Changes

Aetna Life has promoted Donald E. Hanson and George L. Hogeman to vice-presidents in the agency and life departments, respectively. Mr. Hanson, former superintendent of agencies and director of agencies, has been assistant vice-president since 1955. Mr. Hogeman, former associate actuary, has been assistant vice-president for a year.

A. Henry Moses, assistant vice-president and cashier of Aetna Life, Aetna Casualty and Standard Fire for a year, has been advanced to vice-president and cashier of the companies.

### Other Promotions

John F. Heckman Jr., associate actuary for five years, has been promoted to actuary of Aetna Life.

Stuart W. Palmer, assistant secretary of the accounts department for a year, has been advanced to secretary

of the department of the three companies.

Donald S. Connell, former assistant general agent at Newark, has been promoted from superintendent of agencies to director of agencies of Aetna Life.

William C. Prouty, assistant actuary of Aetna Life for five years, has been advanced to associate actuary.

Promoted to secretaries in the group division of Aetna Life were Lewis F. Beers Jr., Gordon N. Farquhar, F. Arthur Goodwin and J. Dexter Walcott Jr., who have been assistant secretaries.

Dr. Mather H. Neill and Dr. Lester Q. Stewart have been promoted from assistant medical directors to associate medical directors of Aetna Life.

John E. Mixer, superintendent, has been appointed assistant manager of the personnel department of Aetna Life, Aetna Casualty and Standard Fire.

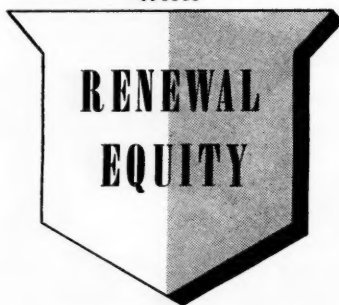
Dr. Donald T. Book has been named assistant medical director of Aetna Life.

Arthur J. Gleave, Leonard C. Neumann and Winsor H. Simmons have been appointed assistant secretaries in Aetna Life's group division. Frederick G. Vogel has been named assistant secretary of the life department.

*You'll get a pleasing response when you offer—*

## Provident's '76' Series

with



Flexible loss of time policies for men — both short term and long term contracts — coverage for employed women too.

- \$500 monthly indemnity maximum.
- Easy classification of risks.
- Sales material especially designed to help you sell the '76' Series.
- Exceptions so few they make sales features.

Renewal Equity guarantees continued coverage at a premium based on current costs. Your request will bring full details.

### BROKERAGE BUSINESS INVITED



**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

*Chattanooga - Since 1887*

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

### N. J. Blue Cross Asks For 28.9% Rate Increase

Hospital Service Plan of New Jersey (Blue Cross) has applied for rate increases averaging 28.9%, effective July 1. Commissioner Howell has set a hearing for 10 a.m. March 6 in the department office at Trenton.

Monthly group rates would be increased from \$2.60 to \$3 for single contracts, from \$4 to \$4.80 for parent and child contracts and from \$6.28 to \$8.20 for family contracts. Individual rates would be increased from \$3.45 to \$4 for single contracts, \$4.40 to \$4.90 for parent and child contracts and from \$7 to \$9.10 for family contracts.

The proposed increases would boost Blue Cross annual premium income from \$50 million to \$64 million. Blue Cross said it paid a record \$47,732,767 in benefits last year and had an operating loss of \$228,525.

Passaic and Perth Amboy general hospitals last December said they were cancelling their Blue Cross contracts because of inadequate allowances for services and care.

Commissioner Howell granted a 17% rate increase in November, 1956, which was 11% less than Blue Cross asked for.

### Management Society Elects

Louis H. Forsythe assistant cashier and manager of U. S. National bank insurance department has been elected president of Oregon chapter American Society of Insurance Management.

Others elected are Robert S. Horning, Mail-Well, vice-president, and Robert E. Marcey, 1st National Bank assistant cashier, secretary-treasurer.

### Buffalo Managers Fete Leaders

Buffalo Life Managers Assn. held its annual "man of the year dinner" for 24 men selected for leadership in their agencies. Charles C. Fitchner, executive vice-president of Buffalo Chamber of Commerce was the speaker.

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## How to be younger than your years

**When you meet a grandfather** like this who's still "young," vigorous and active . . . *even though he's nearly 65 . . .* you're likely to exclaim, "He certainly doesn't look his age!"

The truth is he's what he *should* be . . . and what most of us *could* be when retirement draws near. Better still, anyone who has reached this age in good health can usually look forward to many more useful years.

Although there is no definite point at which one slips into old age, some of us may begin to feel the "wear and tear" of life around age 40 to 45.

So, the time to start taking care of your health is *before you get along in years*. A thorough check-up every year is the surest way to uncover any chronic disorder, such as high blood pressure or arthritis, at its start.

Even if your retirement may be 20 to 25 years ahead, here are some things you should do:

- 1. Keep your mind open to new ideas.** If you always have something to do tomorrow . . . something you *want* to do . . . your mind will be alert, active. Working with and for others—in community, church, fraternal organizations—can also be a deep and lasting source of satisfaction at any age.
- 2. Select your foods carefully.** Your diet should provide *proteins* for body upkeep and repair, *carbohydrates* for energy and foods that supply protective *vitamins* and *minerals*.
- 3. Control your weight.** Overweight makes your heart, kidneys, lungs, liver and arteries work harder all the time. Overweight also tends to increase your chances of developing diseases of these organs.
- 4. Try to keep your emotions on an even keel.** It is unhealthy to keep emotional tensions "bottled up." Instead we should look for ways to work them out. For some of us just talking over problems with a friend or advisor helps to clear the air.
- 5. Plan early for your financial security.** Get competent advice about your future finances—to avoid "money worries" during retirement.



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**Metropolitan Life Insurance Company**  
(A MUTUAL COMPANY)

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This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in magazines with a total circulation in excess of 32,000,000 including Time, Newsweek, Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Redbook, Reader's Digest, National Geographic, U. S. News.

## Promise, Problems Of Major Medical Discussed At HIA Group Forum At Chicago

Major medical—its promise and its problems was the subject of a panel discussion last week at the annual group forum of Health Insurance Association of America at Chicago. Panel members were Gordon N. Farquhar, group secretary Aetna Life, Carl R. Ashman, 2nd vice-president and actuary, Lincoln National, A. B. Halverson, 2nd vice-president Occidental Life of California, and Lawrence M. Cathles Jr., group vice-president of Aetna Life, was moderator.

"The popularity of major medical insurance coverage and the great demands for the 'best' plans have caused the insurance business to run where, perhaps it should have been walking," said Mr. Halverson.

"Today we find ourselves in the ridiculous position of trying to take care of both the small bills and the catastrophes with our rates sometimes less than those we charged for the limited benefits alone" during the early days of major medical insurance planning. "It's time for us to go back

to the sound principles of original major medical philosophy," he declared.

"One of these principles is the purpose of co-insurance to help keep abuse down by making the insured's pocketbook aware of the cost of unnecessary expenses. For a young person with a family and earnings of less than \$5,000 a year, the 20% or 25% co-insurance can be a definite deterrent. When you get into the higher income brackets, the 20% co-insurance is meaningless. Is it not a good idea to vary the co-insurance according to the income of the insured?"

Another problem, continued Mr. Halverson, was the question of duplication of coverage. Where this exists, there is the possibility of paying the claimant as much as 1½ to 2 times his actual expenses, which almost amounts to a time-loss benefit without the inconvenience of loss of time. "Since it is impractical to determine what benefits a person has under individual policies, companies have been forced to exclude only expenses covered under

other group plans. At first only the employee's other group plan was excluded. However, with so many wives working today and, in turn, insured as employees under group plans, the problem is compounded and we must limit liability where any other group benefits are available."

It would appear the companies, of necessity, are headed toward the subrogation and pro-rata clauses which are prevalent in the casualty field and in some service plans, Mr. Halverson remarked. "It also means that unless we are prepared to spend the time and money to check every claim thoroughly, we must accept the statements of the insureds and recognize that some people will not admit to other benefits."

Another source of anxiety, he said, is the field of psychiatric care for mental and nervous disorders. According to available information, claim costs have remained at reasonable levels where expenses outside the hospital are excluded; and where there is no such limitation, the claim costs have risen more rapidly than expected.

Referring to inconsistencies of medical care costs—both from hospital and doctor standpoints, Mr. Halverson pointed out that the insurance business, through such organizations as Health Insurance Council and Health Insurance Institute, is working toward better mutual understanding among these primary groups. Thinking men in medicine are also concerned and they too are expending efforts along this line. However, a general meeting of minds has not been reached and the area of public relations involving the medical profession is still a delicate subject.

"We cannot go our individual ways and expect major medical to succeed. Any company that attempts to correct an area of possible abuse or evil is stopped in its tracks when it is told that its competitors are ignoring the situation," he observed.

"Clearly established, well understood fee practices would help insurance do a better job for patients, doctors and the hospitals. But insurance can only cooperate—the medical and hospital services govern the fees for the general public.

### Comprehensive Medical Growing

Comprehensive medical expense insurance has left its infancy, but the adolescent period of this newest form of health insurance is far from complete, cautioned Mr. Farquhar.

"Major medical, when used to supplement basic hospital and surgical plans, has demonstrated sound, steady growth and mature characteristics. The single plan comprehensive arrangement, on the other hand, while showing great promise, still needs much additional grooming," he said. Emphasizing the need for a realistic approach to the developmental stages of comprehensive medical expense insurance, he noted that this type of coverage is an example of the health insurance companies' response to constant advances in medical care; however, "we must continually experiment in order to improve our ability to provide coverage at a price the public will pay."

Mr. Farquhar pointed out that if the only objective were to sell more comprehensive today, it would be simple to use an unrealistically low price and to include a substantial amount of first dollar coverage in full. The way to make comprehensive meet its objectives of providing more efficient protection, for the premium dollar, however, is to offer plans based on

(CONTINUED ON PAGE 8)

## Sole Proprietor Is Fine Prospect, Cal. Agents Told

Developing a clientele among sole proprietors is a sound approach to future types of business insurance and other lines, said Stephen L. Davenport, supervisor in the Oakland agency of Provident Mutual, speaking to the northern California sales congress sponsored by San Francisco Life Underwriters Assn.

The sole proprietor can be a good prospect, he said, because he is in business for himself—he has his own money tied up and might lose it by death or disability; he can usually be seen in the daytime; and he has more actual needs for insurance than other men—he makes decisions himself. He may decide, for example, that he wants his business to continue after his death, and may have to provide additional funds for his family for that purpose. He may have need for key man insurance, and as personnel grows he may want various forms of group insurance and possibly a pension plan.

The sole proprietor is a center of influence, Mr. Davenport added, often active in the local chamber of commerce, merchants' associations and other community groups. He is in a position to give names of other prospective clients and can help to build an agent's reputation.

The sole proprietor should have an agent as his insurance advisor, realizing that he will receive truly professional service, said Mr. Davenport. He is not a prospect for single need selling. If he is to be as valuable a prospect as possible, the agent must consider the entire situation and work out a complete insurance plan, tailored to the individual. Using brochures for both married and unmarried sole proprietors can be helpful, Mr. Davenport suggested.

## Commonwealth Life Sets Records In '57

Commonwealth Life had record sales in 1957 of \$226,430,670, and insurance in force at the year-end of \$1,099,252,428. The total of assets and liabilities as of Dec. 31 amounted to \$141,106,964, an increase of 10.2%. Net operating earnings in 1957 amounted to \$2,356,124 and the aggregate of capital and surplus funds was \$15,359,002, an increase of more than 100% in seven years. It was reported also that there are 3,614 stockholders with a median holding of 100 shares.

### LIFE A. & H. OPENINGS \$7,500 - \$20,000

Life Vice President.....	\$20,000
Life Actuary.....	17,500
H. Office Life Agcy. Dir.....	17,500
Group Life Underwriter.....	13,500
H. Office Group Administ.....	12,500
H. Office A. & H. S. Agt.....	9,500
H. Office Group Clms. Mgr.....	8,500
H. Office Jr. Life Under.....	7,500
Large selection of positions available in all areas of the country. Write for HOW WE OPERATE; no obligation to register.	

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Alert to changing needs of the public and its own people, The Pilot—the company with the Big Plus—guides its agents to success.

Pilot agents offer many modern, low-cost, high-value life insurance plans which pay 4% interest on funds left on deposit.

Pilot Life agents were among the nation's first to offer refund of premium saving plans, life insurance for women only, scholastic and youth group accident plans for largest and smallest groups—and many others.

Pilot Life research produces proven tools and techniques for sales motivation like Pilot's prize-winning Charted Security presentation, and the Case of the Vanishing Fortune, sure to be a sales-winner, too.



## Pilot Life Insurance Company

LIFE, GROUP, ACCIDENT & SICKNESS  
PILOT TO PROTECTION FOR OVER FIFTY YEARS

O. F. STAFFORD, PRESIDENT

GREENSBORO, NORTH CAROLINA



# FINANCIAL STATEMENT

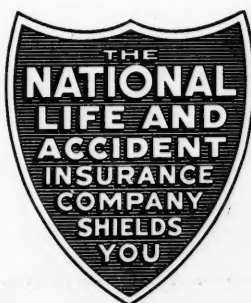
December 31, 1957

## ASSETS

Bonds . . . . .	\$ 280,623,192.21
Real Estate Loans . . . . .	309,409,887.84
Stocks . . . . .	8,610,734.25
Cash in Banks and Offices . . . . .	9,815,273.89
Real Estate . . . . .	44,124,527.48
Net Unpaid and Deferred Premiums . . . . .	14,029,743.00
Policy Loans . . . . .	25,295,709.79
Collateral Loans . . . . .	160,000.00
Interest Due and Accrued . . . . .	4,010,201.36
<b>TOTAL ASSETS . . . . .</b>	<b>\$ 696,079,268.82</b>

## LIABILITIES

Policy and Contract Reserves:	
Life and Annuity . . . . .	\$ 563,150,755.00
Accident and Health . . . . .	14,282,344.00
Investment and Mortality Contingency Fund . . . . .	10,000,000.00
Gross Interest and Premiums Paid in Advance . . . . .	2,357,394.34
Taxes Accrued But Not Due . . . . .	4,807,971.31
Agents' Bond or Savings Deposits . . . . .	1,039,617.60
Reserve for Policy Claims in Process of Payment . . . . .	3,239,850.12
Commissions Accrued to Agents and All Other Items . . . . .	3,904,753.85
<b>Liabilities Other Than Capital and Surplus . . . . .</b>	<b>602,782,686.22</b>
<b>Capital and Surplus . . . . .</b>	<b>93,296,582.60</b>
<b>TOTAL LIABILITIES . . . . .</b>	<b>\$ 696,079,268.82</b>
<b>Gain in Life Insurance in Force During 1957 . . . . .</b>	<b>\$ 371,727,932.00</b>
<b>Total Life Insurance in Force December 31, 1957 . . . . .</b>	<b>4,975,841,769.00</b>



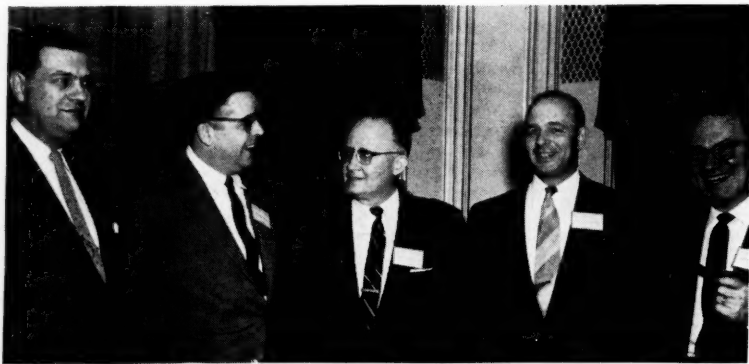
**THE  
NATIONAL LIFE  
AND ACCIDENT  
INSURANCE COMPANY**  
HOME OFFICE - NASHVILLE, TENNESSEE

## Seen Through Camera Eye At HIA Group Forum At Chicago

Enjoying the convivial aftermath of first day meetings last week of the annual group forum of Health Insurance Assn. at the Drake hotel in Chicago were scores of the forum registrants, a number of whom are pictured on this page. The three-day meeting drew a turnout of 440 and featured notable speakers of the industry who discussed major medical, dentistry's interest in health insurance, labor's view on voluntary health insurance, along with panels and workshop sessions. John W. Crews, vice-president of Benefit Association of Railway Employees, was chairman of the forum committee.



Robert R. Reno Jr., of National Assn. of Life Underwriters, Roland D. Hinkle, J. Henry Smith, president of HIA, L. G. Owens and Philip B. Hobbs, NALU, all of Equitable Society.



Milton Erickson, Nationwide Mutual, Charles B. O'Connor, Midland Mutual, G. Emerson Reilly, Midland Mutual, A.W. Ade, Educators Mutual, and Joseph J. Yheaulon, Ohio State Life.

William J. Fee, Employers Re, and W. J. Herrmann and Ralph C. Knoblock of Washington National.



Joseph Follmann, HIA, Don Macaulay and Al Hasley of Sun Life.



Fred Niketh, HIA, and Stefan Hansen, vice-president of Great-West Life, who was a panel member on the program.



William C. Brown, Colonial Life, and Forrest Brown, Business Men's Assurance.

Christy V. Wildt, Retail Credit Corp., Otto V. Elder, American Service Bureau, and William F. Morris, Life of Georgia.



Thomas J. Gillooly, American Life Convention, Joseph O'Ragen, HIA, and Roy A. MacDonald, Life Office Management Assn.

J. W. Sayler and D. B. Alport of Business Men's Assurance and Emil E. Brill, General American Life.



Misses Joy M. Luidens, secretary-manager of Chicago Assn. of Life Underwriters, Ida Weber, secretary of American Life Convention, and Florence M. Manson, executive secretary and treasurer of Insurance Federation of Illinois.





# Southwestern Life REPORTS...

The accompanying statement of condition and other operating results for 1957 tell of another year of substantial progress by Southwestern Life in serving the insurance and investment needs of the growing Southwest.

During the year assets increased to a total of \$418,163,384. For some years the Company has ranked among the top 5% of all life insurance companies in the United States.

## 55th ANNUAL STATEMENT OF CONDITION DECEMBER 31, 1957

### ASSETS

United States Government Bonds . . . . .	\$ 42,729,504.04
County and Municipal Bonds . . . . .	31,706,671.44
Public Utility and Corporation Bonds . . . . .	44,590,025.65
First Mortgage Loans on Real Estate . . . . .	200,861,332.41
Collateral Loans . . . . .	8,328,976.54
Home Office Building . . . . .	1,600,000.00
Preferred Stocks . . . . .	8,917,259.41
Bank Stocks . . . . .	7,077,957.00
Other Common Stocks . . . . .	17,753,556.00
Cash . . . . .	6,813,650.40
Loans Against Cash Values of Policies . . . . .	30,089,733.33
Accrued Interest and Miscellaneous Assets . . . . .	2,292,190.47
Net Premiums to Complete Policy Years . . . . .	15,402,528.14

These are premiums either in process of collection or due to be paid during the current policy year. Proper offsetting liability is included in the policy reserves shown in the statement.

**TOTAL ASSETS . . . . . \$418,163,384.83**

### LIABILITIES

Policy Reserves . . . . .	\$351,966,574.61
Premiums and Interest Paid in Advance . . . . .	3,518,972.77
Reserve for Taxes and Other Liabilities . . . . .	4,218,578.58
Mandatory Valuation Reserve . . . . .	9,929,042.48

**TOTAL LIABILITIES . . . . . \$369,633,168.44**

Surplus Funds for Protection of Policyowners	
Reserve for Contingencies . . . . .	19,030,216.39
Capital Stock . . . . .	7,500,000.00
Surplus . . . . .	22,000,000.00

**Total Capital and Surplus Funds . . . . . 48,530,216.39**

**TOTAL LIABILITIES AND SURPLUS FUNDS . . . \$418,163,384.83**

Bonds and stocks in this statement are valued as prescribed by the Committee on Valuation of Securities of the National Association of Insurance Commissioners.

Southwestern Life's resources, consisting for the most part of Policyowners' savings, continue to be an important factor in the economic development of the area served. These funds are invested in the construction or improvement of homes, churches, hospitals, schools, roads, farms, ranches and industrial enterprises, all of which contribute to a high and rising standard of living in the Southwest. More than \$57,000,000 of new such investments were made in 1957.

## More Than \$1,615,000,000 Insurance in Force

Total ownership of Southwestern Life Insurance at the end of the year amounted to \$1,615,486,922. The twelve-month gain was the largest ever recorded by the Company. It was the ninth consecutive year in which the Company's agency organization achieved a new production record.

## New Record in Policy Benefits Paid

Benefits paid to policyowners and their beneficiaries reached a new calendar-year high of \$25,215,156 and such payments by the Company since it was organized nearly 55 years ago amounted to \$266,832,104.



# Southwestern Life INSURANCE COMPANY

JAMES RALPH WOOD, PRESIDENT

HOME OFFICE, DALLAS

FAMILY PROTECTION • BUSINESS LIFE INSURANCE • ANNUITIES • PENSION PLANS • GROUP LIFE INSURANCE

## Dineen Urges Permanent Research Staff As Adjunct Of NAIC; Calls Need 'Acute'

Creation of a permanent research staff for National Assn. of Insurance Commissioners was proposed by Robert E. Dineen, former New York state superintendent of insurance, in a paper presented at the Insurance Regulation Institute in Lansing.

Mr. Dineen called the need for such a staff "acute." Also recommended

were development of a research library, briefing sessions for commissioners and their staffs at NAIC meetings, and regular educational seminars. Mr. Dineen, now vice-president of Northwestern Mutual Life, served as New York insurance superintendent from 1943 to 1950.

The lack of a professional fact-find-

ing staff within the NAIC is a major shortcoming, Mr. Dineen said. Except in the field of investment valuations, where the association has long had a competent professional staff, NAIC research has functioned over the years on a "project-by-project" basis by temporarily borrowing personnel from state insurance departments.

"As a result," Mr. Dineen pointed out "those states with the largest staffs have usually carried the bulk of the research burden. In many cases the commissioners have had to depend upon outsiders—including those whom they regulate—to do their research. The absence of staff and funds has made it difficult in many cases to summarize adequately and preserve the basic research underlying many of the projects successfully undertaken by the commissioners over the years."

### Precedents For Staff Cited

Precedents cited by Mr. Dineen for a research staff of this type include the legislative reference service of Congress, plus the staffs of standing committees; similar facilities in state legislatures; the Council of State Governments, which does over-all research for the individual states; federal regulatory agencies; insurance trade organizations, such as Life Insurance Assn. of America, American Life Convention, Life Insurance Agency Management Assn. and Life Office Management Assn., the recently created fact-finding staff of National Assn. of Supervisors of State Banks, and others.

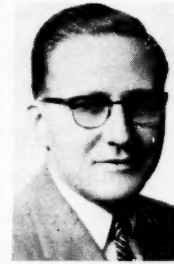
The research staff should function under the guidance of a permanent NAIC standing committee, Mr. Dineen suggested, and be manned by competent personnel on a career basis. "The primary function," Mr. Dineen said, "would be to supply factual data for the information of the commissioners only. The power to establish policy would be lodged exclusively in the commissioners as it always has been."

"To insure that the staff was the  
(CONTINUED ON PAGE 18)

## Loyal Protective Promotes Collins And Three Others

Walter E. Collins, vice-president of Loyal Protective Life since 1956, has been given the additional duties of the newly created post of agency executive. He was with Connecticut General before joining Loyal Protective to organize the group department in 1941. He was named secretary in 1948.

Roland J. Splittgerber, superintendent of agencies since 1956, has been promoted to 2nd vice-president in charge of agency development. He entered the business with Loyal Pro-



W. E. Collins



R. J. Splittgerber



E. L. Doyle

tective at Los Angeles in 1946, became west coast field supervisor in 1949 and was named general agent at Long Beach, Cal., in 1954.

The authority of Edward L. Doyle, superintendent of agencies since 1956, has been extended to include additional agency administrative duties. He was with John Hancock before joining Loyal Protective as director of group sales in 1949. He was named agency assistant in 1951.

Mrs. Vivian M. Leith, assistant treasurer since 1956, has been appointed secretary. She has been with the company 16 years, most of the time as secretary to the president.

### Appraisers Name Wallman

Louis E. Wallman, manager of the Portland, Ore., loan department of California-Western States Life, has been installed as the 1958 president of Portland chapter Society of Residential Appraisers.

### Oil Industries Life Has Gain

Oil Industries Life finished 1957, its third full year of operation, with a net gain of \$169,760, according to President John Bennick. Assets were reported as \$3,978,876, reserves \$2,574,117, capital and surplus \$930,873 and policyholder dividends paid \$134,848. Last month the company reached the \$100 million mark of ordinary in force, three and one half years after selling its first policy.

### New Handbook For Ohio Is Published

A new Underwriters Handbook of Ohio has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Ohio Handbook may be obtained from the National Underwriter Company, at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

WIRE or WRITE  
BYRON C. JOHNSON, Agency Vice-President

**JEFFERSON NATIONAL**  
*Life Insurance Company*  
INDIANAPOLIS, INDIANA

the Company  
with the  
**Agency Heart!**

with our **Exclusive Policies**

**Life — Group — A & S**

**Top Commission Contract**

**Recruiting Bonus**

**Financial Assistance**

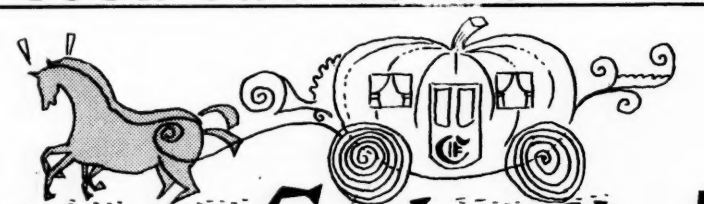
**Unexcelled Home Office Cooperation**

**AGENCY openings**

in

OHIO  
INDIANA  
ILLINOIS  
KENTUCKY  
MICHIGAN  
MINNESOTA  
PENNSYLVANIA  
FLORIDA—ARIZONA  
VIRGINIA—W. VIRGINIA

## OWN YOUR OWN AGENCY



# LOOK, Cinderella!

we're no fairy godmother, but...

we think we've got something that will help you turn your present "pumpkin" into a "golden coach." Look at these facts:

1. We've got the top agency building contract for the man who wants to build an agency of his own.
2. A career agent's contract second to none, with liberal first year and renewal commissions, group insurance, and pension plan. Also, Home Office training designed to get the new man to the top in a hurry.
3. A very complete Rate Book, with all the latest types of plans, designed to meet every situation.

We have several excellent territories still available in the United States and Canada.

If you're interested in an agency of your own with an expanding organization, write today to Robert O. Shepler, Field Director, The Maccabees, Maccabees Building, Detroit 2, Michigan.

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## 1.

Most Life Insurance salesmen are not good speakers.

They have not had professional voice training and they do *not* speak with clarity and emphasis.

Their sales presentation loses 25% to 50% of its power because of its delivery.

The situation is complicated by the fact that 25% of the salesman's prospects do not hear normally.

Poor delivery and bad reception dwindle the presentation of your proposition to a small fragment of what it should be and what you may think it is.

Your sales suffer.

Audio-visual corrects this weakness. Professional voices, sharpened by electrical transcription, are easily understood, even by the hard of hearing, and your sales pre-

sensation really gets over into the mind of the prospect.

By the old way it fades out through human weaknesses.

By the new way it gets to the prospect in all of its original power, enhanced by dramatization.

Sales go up 50%.

## 2.

Television is a curse to salesmen.

Ask your men how they like to talk against TV.

Ask them what chance they've got to sell with the air full of entertainment.

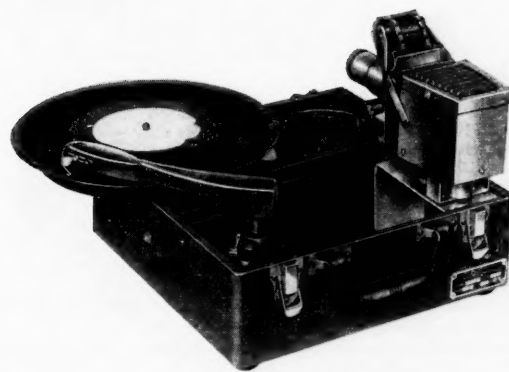
Ask them how often the TV gets turned off so they can get a fair chance to tell their story—*YOUR STORY*.

Sound Slide-film solves this problem.

The prospect doesn't want two talking pictures going at the same time, so he turns off the TV.

Audio-visual gets your man a fair chance which he didn't have before.

No wonder your sales go up 50%.



## 3.

Those kids—how we love 'em!

But does your agent love 'em when he comes down the home stretch with a nice sale ready to close—and those kids need attention?

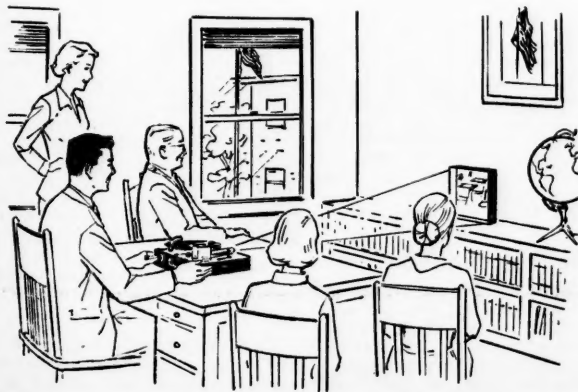
They need a piece of bread and butter, or they need to be taken to the toilet, or they get into a fight and have to be separated.

But not if you have the vision to equip your men with Sound Slide-film!

Those kids' eyes are bulging out, looking at the show—looking at the machine. They are entranced with it. They do not *need* attention and they do not *want* attention.

Another problem solved.

Is it any wonder your sales go up 50%?



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## Changes In The Field

### Life Of North America

Life of North America has appointed **Hunter L. Fox** and **Sam Whitney** managers at Richmond and Tampa, respectively. Mr. Fox has been with



H. L. Fox



Sam Whitney

North America since 1953, handling fire and marine. He was special agent at Richmond until 1956 when he became resident special agent at Roanoke. He previously was assistant manager of Guardian Life. Mr. Whitney was assistant manager of Business Men's Assurance in Lincoln, Ill., and more recently general agent of Southeast Life of Miami at Tampa.

### Lincoln National Life

**Verlin J. Harrold**, general agent for Lincoln National Life at Fort Wayne, Ind., since 1931, and **Harold T. Cooke**, educational supervisor of the agency, will retire March 1.

### United States Life

United States Life has appointed **Laird-Hagee Co.** as general agent at Harrisburg. **J. Ira Laird** is president

of the agency, which represents a number of mutual fire, casualty and inland marine companies. He entered the business in 1912 and, with the late H. Raymond Hagee, founded the agency in 1923. He is past president of National Assn. of Mutual General Agents. With him is his son, **J. Ira Laird Jr.**, executive manager, who joined the agency in 1952. He is vice-president and secretary of National Assn. of Mutual General Agents.

### Union Central Life

**Frank C. McCown III** has been appointed field group and pensions supervisor in the Baketel agency of Union Central Life at Cincinnati. For the past three years he has been life manager of J. S. Kemper & Co. at Philadelphia, and before that was a life agent in Rochester, N. Y.

### Security Mutual

**George W. Steinbach** has been appointed 2nd vice-president in charge of group and **James O. Shetterly** has been named associate counsel of Security Mutual of Binghamton, N. Y. Mr. Steinbach started his career with Metropolitan Life at New York as a mail boy in 1932, entered the group department in 1935 and later became assistant to the sales vice-president. He was



G. W. Steinbach

sales of Massachusetts Mutual from 1951 to 1957. Mr. Shetterly entered insurance with Security Mutual in 1949, becoming assistant counsel in 1951 and associate counsel in 1954. In 1955, he was transferred from the legal department to the group department to direct administrative work during a transitional period and was designated group executive.

**Robert E. Shreve** has been named general agent of Security Mutual Life of Binghamton, N. Y., at Erie, Pa., with offices at 109 East Ninth street.

### American United Life



P. F. Myers

**Paul F. Myers** has been named agency manager in Cincinnati. He has been in life sales for the past five years.

### United Benefit Life

Four new midwestern general agents have been appointed following the retirement of **R. H. Hawkins** at St. Louis: **Earl Cutler** at East St. Louis; **O. C.**



Earl Cutler



O. C. Backhaus



Robert Fogle



A. S. Quinn

**Backhaus** at Topeka; **Robert Fogle** at Cape Girardeau, Mo.; and **A. S. Quinn** at St. Louis.

Mr. Cutler started with United Benefit in North Carolina. In 1950 he went to Wilmington and was promoted to claims manager. In 1952 he was named district manager at Charlotte, N. C. In 1956 he went to the home office sales division doing extensive liaison work throughout the southern states.

Mr. Backhaus, a 12-year veteran with United Benefit, started his career at Louisville in 1946 and in 1950 went to Pittsburgh as a unit manager.

Mr. Fogle started at Columbus, O., in 1948 and was later appointed assistant manager. In 1953 he went to the home office and served in the life training and supervisors department.

Mr. Quinn joined Mutual Benefit H.&A. in 1944 at Atlanta. In 1946 he was named general agent at Topeka and was then appointed at St. Louis.

### Northwestern Mutual Life

**John I. Lippincott Jr.** has been appointed general agent in Houston and will also oversee southwestern Texas. He joined Northwestern Mutual in 1948 at South Bend, was appointed a district agent at Gary in 1951, and became assistant director of agencies at the home office in 1956.

### Franklin Life

**Reese B. Jarvis** regional manager



R. B. Jarvis

Conservative.

He will establish headquarters for the southern West Virginia area

has been appointed in southern West Virginia, with headquarters in Clendenin. In the insurance business for 25 years, he began with Conservative Life, continuing with American National when that company absorbed



P. M. Differding

of Franklin in Clendenin.

**Paul M. Differding** has been appointed regional manager in Louisville. After six years in the banking field, he entered life insurance in 1952 with



P. A. Spennrath

**Bankers Life & Casualty** at Springfield, Mo., subsequently advancing to supervisory and district manager positions in Little Rock and Camden, Ark. He was promoted to branch manager of Kentucky in 1956.

**Paul A. Spennrath** has been appointed regional manager of central Iowa, with headquarters at 702 Insurance Exchange building, Des Moines. Mr. Spennrath entered life insurance with New England Life. For the past seven years he has been with State Farm, since 1952 as district manager with headquarters in Des Moines.

### Washington National

**Leo L. Rimer** has been appointed



Leo Rimer

general agent in Great Falls, Mont., with offices at 337 Ford building. A doctor of laws, Mr. Rimer also has a background of higher accounting and tax and estate matters. He was most recently general agent at Denver for Massachusetts Indemnity and before that was a district manager for the company at Lewistown and Billings, Mont.


**Larry F. Finnell** has been appointed



L. F. Finnell

general agent in Miami, Fla., for the company, with offices at 529 West Flagler street. Mr. Finnell began in insurance with Business Men's Assurance, subsequently becoming an agency supervisor and going to Miami in 1953 to open a new agency for B.M.A. He was appointed general agent for Southeast Life at Miami in 1956.

**CANADA LIFE**—**William E. Carter** has been appointed Ohio regional group manager with offices in Cleveland. He was formerly with New York Life.



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**LIFE INSURANCE SOCIETY**

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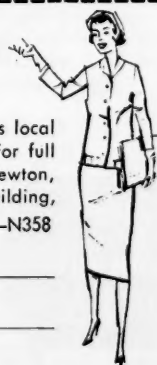
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today

## Home Office Changes

### Pan-American Life

Jules F. Peytral III has been appointed director of public relations of Pan-American Life. He will supervise the national advertising and public relations programs. He has been assistant director of public relations since joining the company in 1955. He previously was assistant manager of public relations and advertising of Lykes Bros. Steamship Co.



J. F. Peytral III

G. Frank Purvis Jr., vice-president and associate general counsel of Pan-American Life, has been elected a director. He joined the company as assistant general counsel in 1949, was promoted to associate general counsel in 1954 and became a vice-president in 1955.

### Life Of North America

Vincent A. Scamell has been appointed director of group field service and John F. Yeomans has been named a group sales specialist of Life of North America. Mr. Scamell has been with Prudential for 10 years, serving as group consultant in the home office and group sales representative in the field. Mr. Yeomans entered the business with Prudential in 1936 and has been a home office representative of Mutual Benefit H.A., United Benefit Life and Companion Life.

### Mutual Of New York

Carl A. Harris Jr., a certified public accountant since 1954, has been appointed assistant auditor of Mutual of New York.

William J. Neilan, who has practiced law in New York, has joined the sales department as advanced underwriting specialist. He will assist in the development and servicing of business and partnership insurance and related tax coverages.

### New York Life

Charles B. Dennard has been appointed a management assistant at New York Life's home office to help supervise the south central region. He was with Piedmont Life before joining the company as assistant manager in Atlanta in 1954. He was appointed assistant manager in charge of the Columbus sales office in 1955.

### Franklin Life

Carl W. Solenberger has been promoted from associate actuary to actuary. He joined the company in 1946 and previously had been with the actuarial department of American United Life and later with the Michigan insurance department as actuary. He is a fellow of Society of Actuaries.

### Union Mutual

Henry J. Kiefer has been elected a 2nd vice-president of Union Mutual. He was with Buffalo Mutual Life from 1929 until 1935 when it was reinsured by Union Mutual. He has been underwriting secretary since 1953.

Frank J. Farrington has been advanced to home office field development supervisor of Union Mutual. He has been in the sales and management training program since joining the company in 1956.

### Protective Life

Lucien D. Gardner Jr., member of the Birmingham law firm of Cabaniss & Johnston, has been elected a director of Protective Life. He became as-

sociate general counsel in 1936 and general counsel three years ago.

### Aetna Life

Richard A. Merske has been appointed agency assistant in the life agency department of Aetna Life. He joined the company as assistant supervisor at Grand Rapids in 1955 and recently was promoted to supervisor.

### Provident Life & Accident

James H. Nelson has been promoted from field supervisor to assistant to vice-president of Provident Life & Accident. He has been with the company since 1955.

### Wisconsin National Life

Ralph P. Walker has been elected vice-president and actuary. Rollin C. Hotelling has been named assistant vice-president-investments. He was formerly assistant treasurer.

### Postal Life

Mark L. Kalb has been appointed field supervisor for Postal Life at Kansas City, with duties to include agent supervision and agency liaison. He has been in the business for nine years and was formerly agency manager for State Mutual Life in Kansas City.

**HOME SECURITY LIFE**—Harold Styers has been promoted to agency vice-president; L. O. Branch to agency director; R. E. King to agency manager; D. K. Jackson to assistant secretary. In that order they have been with the company eight years, 26 years, 30 years and eight years.

**NATIONAL LIFE** of Canada—J. K. Williams has been appointed general counsel and secretary. He has been with the company since 1947, as secretary for the past six years.

**NORTH AMERICAN LIFE** of Toronto—W. L. Waylett, superintendent of group sales since 1955 has been appointed superintendent of agencies and group sales.

### Ill. Agents Form New Assn., Huebsch President

Illinois State Assn. of Life Underwriters has formed its 30th local unit, known as DuPage Life Underwriters Assn. Conducting the formation meeting at Lisle, Ill., were three officials of the state association: C. F. Stansberry Jr. of Northwestern Mutual, Plainfield, regional vice-president; A. F. Moore, Northwestern Mutual, Ottawa, extension committeeman, and Mrs. Lorene W. Crawford, Peoria, executive director.

Officers named were: Blaise W. Huebsch, Prudential, president; John A. Robb, Metropolitan, 1st vice-president; Richard F. Gauch, Prudential, 2nd vice-president, and Elmer A. Schulz, Penn Mutual, secretary-treasurer. All are from Downers Grove except Mr. Gauch, who is from Glen Ellyn.

Speaking on the need for a new association were the following managers: Wilbur Lamond, Prudential, Downers Grove; Barney Bain, Metropolitan, Aurora; Guy Floro, New England Life, and Lou Neckar, Prudential, both of Downers Grove.

### Security L.&T. Stock Dividend

Security Life & Trust of Winston-Salem has declared a 33 1/3% stock dividend. Stockholders on record Feb. 5 will receive on March 1 one share of stock for every three held. A 50% stock dividend was declared in February, 1956.

A regular cash dividend of 10 cents a share and an extra cash dividend of 20 cents a share have been declared for the quarter.



## HIC Playing Major Role In Survival Of Voluntary Health Cover; H. O. Support Vital, Orsini Says

The need for continuing education is paramount in the relationship between insurers and hospitals, if current ills in hospital admissions and claims procedures are to be corrected, Louis A. Orsini, vice-chairman of Health Insurance Council, told Chicago Group Supervisors Assn. at a recent meeting. This is one of the main functions of the council, whose present and future plans Mr. Orsini detailed to the group men.

The speaker stated that a simple assignment procedure without certification first used became unworkable because of the uncertainty of the patient's eligibility status and the inability to develop reliable benefit data. The council took up the matter with hospital representatives, from which discussions evolved the council's hospital admission plans. Then the council started a uniform claim forms program to decrease the mountain of paper work involved for hospital clerical staffs in processing a myriad of types of insurance claim forms. From this resulted two uniform

developed under the uniform forms program. He pointed out that originally the council's contact with the medical profession was as advisors to medical societies sponsoring prepaid surgical expense plans underwritten by insurance companies and Blue organizations. The medical society plans, in addition to being subject to frequent changes, had administrative procedures and other problems which limited insurance company participation.

The recent development of more comprehensive forms of health insurance, like major medical, places increased reliance on the physician's understanding of insurance principles, such as deductibles and coinsurance, and places additional emphasis on the need for the insurance industry to establish an effective working liaison with the medical profession, Mr. Orsini said.

### Confined To Staff Activity

While the bulk of the council's activities in hospital and medical relations areas to date has largely been

## Statistics Show Women As The Stronger Sex

The life expectancy of women has increased 25 years since 1900, while that of men has risen only 20 years. The average length of life in the U. S. is now 73 years for women and 67 years for men.

Current health and longevity tabulations show that women have not only held their advantage of a generation ago, but have made still further gains, according to Dr. Louis I. Dublin, health and welfare consultant of Institute of Life Insurance. The ultimate measure of health is how long a person lives, and, on this basis, women are now several years healthier than men.

The greater life expectancy of women is reflected through almost the entire range of diseases and disability. They show lower death rates than men from almost all major causes of death with the exception of diabetes. Prior to 1945, women showed a higher cancer death rate than men. In the past 15 years, the cancer death rate for women at most ages has declined 10%

while that for men has increased. The mortality rate among men for lung cancer has increased 180% in this period. The female death rate for accidents is less than half that of men. In heart and circulatory disease, the female death rate is less than two-thirds that for men. In the infections, women show a death rate one-third less than men.

Women apparently have a basic physiological advantage over men, Dr. Dublin said. This is found generally throughout the animal kingdom. An evolutionary factor also may be at work. The female of the species is more important than the male for race preservation.

While there is not much statistical evidence other than absentee records in shops and offices, it seems evident that women show more inclination to take time out for sickness. This may be a long term health factor. Perhaps this greater care, illness by illness, helps ward off the ultimate weakening of the system that brings on death. If so, this alone may be the contributing factor in making women the stronger sex, he said.

Shown at Chicago Group Supervisors Assn. meeting, from left, William B. Davidson, New England Life, president; Louis A. Orsini, vice-chairman Health Insurance Council, the speaker, and Frank H. Weisman, Bankers Life of Iowa, program chairman.



claim forms which have been recommended by the board of American Hospital Assn., as well as by individual hospitals and hospital associations.

### Charge Now Eliminated

Mr. Orsini said in an attempt to give additional assistance to the program, many hospitals which formerly made nominal charges for completion of insurance forms have now eliminated the charge in cases where one of the industry forms is used. He said the programs are not cure-alls but are positive demonstrations that the insurance industry and hospitals can work cooperatively toward a common goal in areas of mutual interest and have done much to establish a friendly climate through which future common problems may be resolved.

Mr. Orsini went into the steps to date to communicate to hospital personnel the story of health insurance as written by the insurance companies.

### Gives Plans For Future

"Now that we have moved forward with considerable success in the 'performance' area," he said, "our focus for the future will be to maintain and promote company support for our admissions and claim form programs and to sharpen our lines of communication with hospitals and explore with them other ways through which we can develop a climate of mutual understanding." Direct mail, various booklets and a new bulletin service are some of the methods being used to put over the educational aspect of the council program.

Mr. Orsini stressed the need for company participation, such as additional support of the council's simplified attending physician's statements

confined to staff activity in the field, supplemented with irregular committee activity at the local level, the organization of the council has been strengthened recently by a network of home office, branch office and field personnel domiciled in each state. The plan is that state committees will act as liaison units with other industry organizations to keep them abreast of developments as they mature and to enlist their active cooperation where necessary.

### Home Office Support Vital

"It is obvious that the council is playing a major role in shaping attitudes and opinions which will ultimately determine the survival of the voluntary health insurance system," Mr. Orsini averred. "The council's effectiveness will be ultimately determined by its ability to speak authoritatively for the insurance industry, with assurance of substantial company cooperation and support, both at the home office and field levels. Home office support is unquestionably the prime essential, however."

### Are Interpreting Mechanism

As to field men, Mr. Orsini told the group supervisors that they are the mechanism through which policy considerations are interpreted in practice. Field men are in the position to influence the support of policyholders in situations where their understanding and cooperation is the key to success or failure. Also, many of the field men are in business or community capacities which call for frequent contact with hospitals and doctors at local level. This unique opportunity should be employed to stimulate discussions which will contribute to understanding of mutual problems.

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## HIA Hears Promise, Problems Of Major Medical

(CONTINUED FROM PAGE 3)

sound principles of the deductible and co-insurance. If the deductible and co-insurance are compromised too extensively, and if the additional price for these compromises is not set at a higher level than increasing incidence rates indicate, the unhappy prospect will be the delivery of rate increases, in many cases, at the first renewal, he warned.

A \$50 deductible seems to be best, Mr. Farquhar concluded. "Some pressure has developed to reduce it below this level for lower-paid employees, but to do this makes it difficult, if not impossible, to use an adequate amount for higher-paid employees in higher-cost areas. The deductible must be large enough to prevent practically every employee or dependent from becoming a claimant for every illness, no matter how minor, but low enough so that the protection of the plan commences when the pocketbook has been hard hit."

Inadequate actuarial data continues to be a principal obstacle to "designing an appropriate premium framework" for major medical expense insurance. Mr. Ashman declared, citing the lack of statistical background as one of several influences complicating the determination of premium rates and a "reasonable assurance of their continuance." Other factors, he said, include disregarding, in some cases, sound underwriting principles, and over-use of medical facilities by policyholders.

Discussing actuarial experience, Mr. Ashman stated that there were "certain components of the structure, such as hospital and surgical expense, where we had some guideposts by which to travel, but the package also embraced types of medical care . . . almost if not completely foreign to our experience where we have had to grope in the wilderness."

Although noting that data is gradually being accumulated, Mr. Ashman cautioned that the availability of statistics of a "comfortable degree of significance and refinement cannot help but be a long process." Further experience, he declared, is needed in

more accurately evaluating the effect on the cost structure of such characteristics as the age, sex, income level and geographical area classification of policyholders.

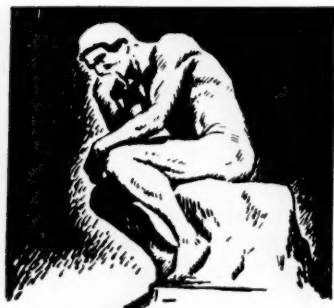
Referring to the age factor, he said that not until the advent of major medical did premium rates better reflect the "debilitating and deteriorating effects of advancing age." While the "ultimate refinement in graduated costs" has not yet been introduced, much progress has been made in this area.

Further illustrating what he termed unsound underwriting principles, he warned that the tendency to reduce deductibles on major medical policies, or "provide full payment of the first three or five hundred dollars of hospital expense" places the insurance business on "very questionable ground." Noting that many consider such "frills" as necessary to make major medical "more palatable during this period of transition when we are trying to wean our customers away from conventional 'first dollar' coverage," Mr. Ashman continued: "I am fearful, however, that, if we do not watch ourselves, what was intended only as a temporary visitor may become a permanent, though unwelcome guest."

Mr. Ashman said that rate inadequacies are "considerably minimized" by adjustments from time to time on individual cases, but termed this a "rather poor substitute for the determination of proper rates in the first place."

He underscored the tendency for claim rates to be highest in direct ratio to the cost of medical care in a particular area and wherever deductibles have been lowered or full payment of hospital expense has been introduced, and he emphasized that premium scales must be adjusted accordingly.

rect some of the educational problems in insurance regulation caused by high commissioner turnover. It may also set the stage in insurance regulation for the 'back to school' movement now being followed in the field of business generally. And it may conceivably lessen some of the committee problems confronting the NAIC."



### THINK...

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## Dineen Urges Permanent NAIC Research Staff

(CONTINUED FROM PAGE 12)

servant of the NAIC and not the master, the NAIC could lay down an operating policy requiring the staff to confine research to fact-finding," Mr. Dineen said. "Also, like the congressional reference library, the staff could not initiate research projects on its own; directions would have to be channeled to it through the director from the standing committee."

This, he said, would "protect the commissioners against the staff and the staff against the commissioners."

A precedent for financing is found in the Council of State Governments, he pointed out, where by statutory provision in the various states the council is recognized as the official organ of the states, and provision is made for the state's contribution in the budget through the local commissions on interstate cooperation. In many states he said, less than 5% of the taxes on insurance companies are used for regulation of the business. There is plenty of money available for this purpose, and that source of revenue should be considered first. As an alternative, he noted the direct levy on the companies now used to support the committee on valuation of securities.

The average insurance commissioner stays in office three years, Mr. Dineen observed. They come from all walks of life, and must prepare themselves to handle their responsibilities in a short time.

"The new commissioner discovers

that not only must he learn as much as he can about a complex business, the laws of his own state by which the business is regulated, the regulatory processes followed by his own department, and the art of conducting and improving the personnel and administrative machinery of his own department, but also that he must learn something about the history and workings of the NAIC," he said.

In the NAIC, Mr. Dineen pointed out, most of the work is done by committees. "One of the greatest deterrents to effective work by these committees is the fact that many departments are under-staffed and simply do not have the personnel available to do staff work. An occasional commissioner is so engrossed in the day-to-day decisions of his office that he simply cannot afford to give the necessary time to projects with which the commissioners deal." For these reasons, he said, some departments can make no significant contribution to the fact-finding phases of the project at hand.

The monograph was written, he said, on the assumption that on the whole state regulation has been effective, but there is room for improvement. "In brief," he summarized, "this is a proposal to distribute basic information more equitably among all commissioners and members of their departments, not as a matter of accommodation but as a matter of right. It is believed that the plan will help cor-



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## CLU Chapter Officers To Attend Regional Conferences In April

American Society and American College will hold regional conferences for CLU chapter officers April 17-18 at Hartford, April 21-22 at Columbus, O. April 24-25 at Philadelphia and April 28-29 in Atlanta.

The noon-to-noon meeting will cover managing and financing a CLU chapter, planning effective programs, relationships with the professions and promoting CLU study classes. Sessions will be run largely on an experience-swapping basis. Directors of American Society will attend each conference and then visit cities that have potential for increased CLU activity.

Paul S. Mills, managing director of the society, is in charge of the conferences. He has invited 51 chapter presidents to attend, along with vice-presidents and educational chairmen who will be responsible for the study groups next fall.

Cooperating with Mr. Mills in the development of the program are Herbert C. Graebner, dean of the college; Walter B. Wheeler, director of

field services of the college, and Howard D. Shaw, director of CLU public relations.

Experimental chapter officers' conferences held last year at Chicago and Dallas were so successful that it was decided to expand to a program of four this year. The plan calls for another series next year in western locations.

## Kefauver Committee Counsel Sits In On Texas Credit Hearing

A hearing last week of the Texas department on possible modification of credit insurance rates assumed special significance with the appearance as an "official spectator" of Downey Rice, special counsel for the U. S. Senate anti-trust subcommittee.

Mr. Rice said he was on hand because there had been stories that "most of the little people in Texas were being taken by loan sharks. If insurance companies are working with finance companies in loan sharking it is the federal government's business." He added there is no evidence of such activity.

Mr. Rice is counsel for the subcommittee headed by Sen. Kefauver.

Seven major objections attacking the new credit rates as discriminatory and arbitrary were filed by spokesmen for the business.

The board department gave no indication of its reaction to the complaints, except that it has already deferred the effective date of the order from March 1 to April 1.

The principal business spokesman was Cecil E. Burney of Corpus Christi, representing Texas Consumers Credit Insurers Assn. He charged that the setting of maximum rates was arbitrary, that there is no statutory authority for limiting types of coverage to the four prescribed forms, and that the fixing of maximum commissions is a "new and nebulous field" for the department.

The main point developed in the testimony was that there is an increasing ratio of losses as the term of coverage lengthens. Those testifying on this point included three actuaries—James Maine of Volunteer State Life, Stuart M. Thompson of Credit Life of Fort Worth and Calvin S. Ewald of Continental Casualty.

## Name Agents' Council Head

Leo R. Schuster Jr., El Paso district manager, has been named chairman of General Agents' Advisory Council of General American Life. He succeeds Fred F. Sale, St. Louis district manager, whose council term has been completed. The five-man council meets with home office officials to make suggestions on matters where experience of key agency heads can help form operating policies.

Mr. Schuster has been with General American Life since 1950. He is in the El Paso agency with his father, General Agent Leo R. Schuster.

## Mass., Pa. Insurance Pamphlets

Institute of Life Insurance has issued reports on the recent growth of life insurance in Massachusetts and Pennsylvania to provide localized news material for editors. The pamphlets report on the volume of life insurance in force in various categories, ordinary life sales, death claims and living benefits, A&S payments, premium payments compared with personal income and companies' mortgage holdings.

## United L.&A. Offers Guaranteed Issue And Pre-Authorized Checks

United Life & Accident has introduced the "guaranteed issue," a life insurance plan for associations and groups, and a pre-authorized check plan known as "prem-a-check."

Suited for business plans such as pensions trusts, profit sharing or salary allotment, "guaranteed issue" requires no formal contract. The agreement with the organization sponsoring the plan ends when the required applications have been received and the policies issued and placed. An individual policy is issued to each insured. Participating and non-participating policies are available, including life expectancy term. All members of the group must have the same life insurance plan. The minimum number of lives insured in business firms is 10, while associations and other groups must have at least 25.

Since participants are underwritten as a unit, there is no individual underwriting for members who qualify in eligible classes, except for occupation or age. The double and triple indemnity benefits are issued up to age

60, and waiver of premium to age 55. In the case of each of these benefits, all or none of the members below the age limit in the group must have the benefit.

With simplified administration and operation, the "prem-a-check" plan requires only an authorization from the policyholder for an automatic deduction of the monthly premium from his regular checking account in a bank honoring the plan.

Even though the single policy minimum premium is \$10, the company permits grouping of policies so that the plan can be used with a total minimum monthly premium of \$10 for several policies. Such grouped policies do not have to be on a single policyholder. The plan is available to present and new policyholders.

## National L.&A. Sets 20% Stock Dividend

National Life & Accident has declared a 20% stock dividend payable March 1 to stockholders of record Feb. 19. The capital stock was increased from \$25 million to \$30 million by the dividend, which transfers \$5 million from surplus to capital. The number of shares was increased from 2.5 million to 3 million, with \$10 par value.



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## Describe New Method Of Certification Of Group A&S Plans

New procedures which have resulted in greater economy and efficiency of operation in certifying employee and dependent coverage in group A&S plans were described at the annual group forum in Chicago, sponsored by Health Insurance Assn. Discussing these procedures were H. E. Bliss, group underwriting manager, Employers Mutual Liability of Wisconsin, and Loring P. Gillespie, group manager, Fireman's Fund.

Mr. Bliss reported that his company utilizes a standardized combination announcement booklet and employee and dependent certificate, appropriate both for regular group health policies and major medical expense insurance. Previously separate units, the combined booklet and group certificate has been approved by all states, and has won the "ready acceptance" of the company's field force, and the policyholders, he said. Branch offices, he added, have found that the new system speeds up the policy insurance time on large risks.

### Costs Same As Old System

Costs of the combination booklet-certificate are no more than the total expense of the certificate alone issued under the old system, Mr. Bliss said, attributing the saving to being able to pre-print in volume a large number of standardized pages.

Conversion to the new system, he said, requires development of a method of revising booklets, whenever coverage and rates are amended. He declared that his company has met this problem by forwarding the new pages to the policyholders with instructions to advise employees to replace obsolete pages. When the employer is reluctant to assume the clerical expense of updating the booklets, he said that his company either requests return of outstanding booklets or has the group representative make the corrections for the policyholder.

Describing the new group certificate and enrollment kit developed by Fireman's Fund, Mr. Gillespie emphasized the "saving in the cost of operation without sacrificing either quality or service." Initial printing costs, he declared, have been cut by approximately 70%.

### Savings Are Valuable

"Such savings are especially valuable in tailoring plans for smaller groups where in the past it has often cost as much as one or two months' premium just to place the risk on the books," Mr. Gillespie pointed out.

The completely revised certificate, he explained, consists of single insert sheets for description and provisions of each type of coverage. The separate page for each coverage helps the insured better understand his policy. The sheets are pre-printed in quantity in conjunction with a certificate cover which is also standardized, with the exception of the name of the employer, policy number and schedule of benefits. This facilitates delivery of the certificates, he noted.

The time-saving factor on delivery—from a month previously required to less than a week—led directly to the development of the group enrollment kit, according to Mr. Gillespie. He said the kit with specimen certificates, employer's letter and enrollment cards, provides all of the information necessary for the employee to "make an intelligent decision on the coverage."

## Says PR Must Keep Pace With Public Interest In Health Insurance

Companies share a continually growing public relations responsibility to keep pace with the rapidly increasing public interest in health insurance protection, James R. Williams, vice-president of Health Insurance Institute, told the group forum of Health Insurance Assn. at Chicago last week. Mr. Williams pointed out that since 1948 the number of people with some coverage in health insurance has more than doubled, and at a rate much greater than the increase in population.

"Sometimes we in the insurance business tend to overlook growth patterns like these," he remarked. "But we should review this record with pride, because when we relate the progress made by insurance companies during this period to newspaper people and writers, they are literally amazed."

### Outlines PR Responsibility

The Institute's public relations responsibility is to translate the performance record of insurance companies to the public in order that people can gain a better understanding of health insurance. Health insurance is a generic term well known to the public which has a general awareness of its importance to personal protection. However it is doubtful how many people know about the health insurance protection they have until it's time to use it, he said.

The Institute has a responsibility to inform the public on health insurance progress, and what it means to them before they use it, he declared. The more the public understands about health insurance available through insurance companies and about the ever expanding efforts the business is making to meet increasing public demand, the greater their acceptance will be of insurance company services.

### Tells Opportunities

Mr. Williams emphasized the opportunities available that go beyond an institutional approach. "Because of your relationship to employers and union groups," he said, "a channel is already open for an education program on the individual employee's health insurance program. . . . Our preliminary research on people's attitudes and understanding has already pointed up the great potential of the group mechanism as an ideal communication line to stir personal interest in the individual's health insurance program."

"Education itself is a never-ending process. It is not like a scheduled campaign that starts on a certain date, builds up for a specified period of time and is completed on another specific date. When the insurance business established the institute, it clearly demonstrated its recognition and acceptance of the responsibility and need for a public education program about health insurance."

## Brinkerhoff Joins LOMA Research Staff

Herbert C. Brinkerhoff Jr. has joined the research staff of Life Office Management Assn.

He was staff assistant to the controller of Connecticut General for 20 years, operated the branch office services division for five years and the banking division for one year.



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## Asks Study Of Premium Tax For 'Blue' Plans

(CONTINUED FROM PAGE 1)

cooperate with certain other life organizations on problems posed by the "Blues" but leave primary responsibilities for handling these problems to the other organizations.

"Non-profit" plans are not the only ones marked for investigation. The draft report proposes that a special subcommittee be created "to study the possibility of seeking state legislation to subject the various types of self-insured plans to the supervision of the state insurance departments."

Concerning jumbo group, against which the group committee's chairman, Harry N. Phillips, Sun Life of Canada, San Francisco, spoke eloquently at the annual meeting last fall, the draft mentions that the committee considered but shelved a proposal to recommend federal legislation that would have eliminated the federal income tax-exempt status of group life premiums paid with respect to employees whose total combined coverage exceeded the 20/40 limit endorsed by National Assn. of Insurance Commissioners. This legislation was strongly urged by the California association at last year's NALU annual meeting.

The draft report comments:

"There is a reasonably good basis for assuming that the Treasury Department is aware of the growing number of cases involving jumbo group amounts of group term life coverage on individual lives and that the Treasury itself may sooner or later

ask for legislation in this area. Indeed, the Treasury gave considerable thought to this approach in 1953 and 1954 while the new internal revenue code was being developed. Since that time, of course, there has been a very substantial increase not only in the number of group cases involving jumbo amounts of insurance but also in the amounts of insurance provided in individual cases."

### Other Matters On Agenda

Another highly controversial matter—bank-loan and company-loan plans of buying life insurance—is covered in a committee report. There appears to be some confusion as to the NALU position on possible bank-loan legislation by Congress, this confusion being due to the action taken at NALU's 1957 annual convention by the 1957 committee on federal law and legislation. This is pointed out by Chairman John Z. Schneider, Connecticut General Life, Baltimore, in a letter to his committee accompanying the tentative report. He asked the committee members' opinions on whether the stand taken last year should be re-examined and/or re-stated.

Trading-stamp life insurance, social security legislation, union welfare and pension funds, and many other timely topics are also scheduled for discussion on "committee meeting day," Monday, March 24. The reports are subject to subsequent action by the national council and board of trustees.

John O. Wilson, general agent of Mutual Benefit Life at Seattle, spoke at a recent meeting of San Francisco CLU. He is slated to be a featured speaker at the Northern California General Agents & Managers Conference annual meeting at Pebble Beach.

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The position carries with it a substantial starting salary, depending upon qualifications. Supervisory assistance is provided at Company expense. In addition, there is an expense account and exceptional pension and group insurance benefits. All of our Field Management personnel know of this ad. For a personal interview, write, giving full particulars to Box Y-65, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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## Editorial Comment

### Speakers Aren't All Millionaires

Since none of the following critical comments come from any member of THE NATIONAL UNDERWRITER's staff, no tinge of self-interest colors our altruism in passing along a couple of complaints. We do this in the hope of correcting a type of thoughtlessness that is probably more prevalent and certainly more irritating than most persons realize.

A friend of ours who makes quite a few addresses at various association meetings remarked the other day that he would like to see an editorial on the inconsiderateness of associations that invite a speaker with the understanding they will pay expenses—and then let him wait for weeks before he gets his expense check.

This man pays the expenses out of his own pocket. He is personally holding the bag while waiting to be reimbursed. Sometimes he is holding the bag for as much as \$500. None of this is for fees. It is just money laid out for train or plane fares, meals, hotels, and the like—money that would otherwise be bolstering his bank balance and reducing or eliminating the bank's service charges.

Another friend who does somewhat less speaking, nevertheless is chronically out of pocket because of tardily reimbursed expenses.

"Until this morning," he told us, "I had \$250.62 of my own money out. One bill is not yet due, but \$80.32 has been due since the 17th of December. I wrote two follow-ups asking if they received the statement and never even had a reply. This morning I got a check with a letter from the secretary-treasurer, apologizing for being so late and saying he had misplaced the statement and had just found it.

"The trouble is almost always an association treasurer who loses the statement, who 'pays bills once a month,' or who has to have a counter-signature and waits 'until the next board meeting' to get it.

"There is one association here in my state where I won't even speak any more because they made me wait two months for my expenses. And there's another place I won't go back to: I was invited there by the A&S association chairman for a joint meeting with the life underwriters. As always, I had it understood in advance that I would put in a bill for all expenses. After I had spoken and incurred the expenses, he wrote and said the association did not feel he should have offered to pay expenses without a vote and therefore would not honor the bill. Finally, the program chairman paid half out of his pocket and I paid the other half out of mine. But for a trip of that distance even half the cost was far from cheap."

When a speaker is getting no fee, and that is usually the case, it seems especially inexcusable that the money he has advanced for his expenses should not be promptly reimbursed. Good speakers are not easy to get and it doesn't help the situation if they

feel they are going to be subject to unreasonable delays in getting their expenses paid.

Moreover, most men feel a certain diffidence about dunning an association's secretary for overdue expense money. In all probability, the occasion of the speaker's visit was a very pleasant and cordial affair on both sides. There's a rather bitter aftertaste if later on the speaker has to do a little prodding. The man who warmly recalls the standing ovation for his inspiring address doesn't like to seem "cheap" by asking, "Where's my money?" But if any embarrassment is felt, it should be strictly on the part of the association and its officials who failed to appreciate the speaker's situation.

Part of the trouble undoubtedly arises out of the fact that the treasurer in an organization may be serving for only a one-year term and hardly gets used to the procedures of the office before he is out and another novice is coming in. Nevertheless, since speakers are important to the successful operation of an association, it seems reasonable that special attention should be paid to the seemingly minor yet extremely important matter of reimbursing the speakers promptly.

Where time-consuming approvals or countersignatures have to be obtained, the treasurer could easily make an advance estimate of the speaker's probable expenses and get authorization to pay them on receipt of a statement, provided they are within the outer limit of the estimate. Etiquette calls for R.S.V.P.—in this case meaning Reimburse Speakers Very Promptly.—R.B.M.

## Personals

**Lewis A. Shaw**, public relations manager of Massachusetts Mutual, has been selected Massachusetts "young man of the year" by Massachusetts Junior Chamber of Commerce. He recently was named "young man of the year" by the Springfield Junior Chamber.

**Otto L. Nelson Jr.**, vice-president in charge of housing of New York Life, has been named to a steering committee to survey and plan for a system of parks and recreation facilities in New York state, New Jersey and Connecticut within a 50-mile radius of New York City.

**James F. Oates Jr.**, president of Equitable Society, has been elected a board member of National Industrial Conference Board, an independent and nonprofit business and industrial research organization.

**Lester O. Schriver**, managing director of National Assn. of Life Underwriters, has been discharged from the hospital following an operation in which the lower lobe of his left lung was removed. While being treated for pneumonia, an x-ray revealed a spot

on the lung. After a bronchoscopy failed to satisfy the attending doctors and surgeon, it was decided surgery was necessary. Thorough tests were made and were completely negative.

An administration bill in the Kentucky assembly calls for a raise of \$2,000 a year for four top department heads, among them the insurance commissioner. The new salary would be \$12,000, and **Cad P. Thurman** would be the first Kentucky commissioner to get this amount. He is retired state agent in Kentucky for Continental of the America Fore group and previously served as commissioner when he was on leave of absence from Continental in the 1940s.

## Deaths

**DR. WALTER GIBBONS**, 80, retired vice-president and medical director of California-Western States Life, died at San Francisco. He joined the company as assistant medical director in 1910 and retired in 1949.

**JOSEPH H. CAUGHEY**, 73, blind agent of Massachusetts Mutual at Pittsburgh, died. He joined the company as cashier at Pittsburgh in 1913 and became an agent in 1920. Although he lost his sight as the result of glaucoma in 1947, he continued to represent the company. His production averaged more than \$100,000 annually for the last five years.

**TIMOTHY J. CROWE**, 68, retired manager of the Ogden Park district of Chicago for Metropolitan Life, died. He had been with the company for 44 years prior to his retirement in 1951.

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. LaSalle St., Chicago, Feb. 25, 1958

	Bid	Asked
Aetna Life .....	176	180
Beneficial Standard .....	15	18
Business Men's Assurance .....	60	62½
Cal.-Western States .....	89	92
Columbian National .....	72	75
Commonwealth Life .....	19	20
Connecticut General .....	249	254
Continental Assurance .....	113	116
Franklin Life .....	64	66
Great Southern Life .....	69	73
Gulf Life .....	22½	23½
Jefferson Standard .....	71	73
Kansas City Life .....	1225	1275
Liberty National Life .....	30	32
Life & Casualty .....	18¾	20
Life of Virginia .....	99	102
Lincoln National Life .....	182	186
National L.&A. .....	77½	79½
North American, Ill. ....	18¾	19¾
Nw. National Life .....	74	78
Ohio State Life .....	250	265
Old Line Life .....	41	45
Republic Natl. Life .....	39	41
Southland Life .....	77	81
Southwestern Life .....	100	104
Travelers .....	75¾	77
United, Ill. ....	23½	25
U.S. Life .....	28¾	30
West Coast Life .....	44½	46
Wisconsin National Life .....	68	Bid

## 26% Gain In 1957 For Federal L.&C.

Federal Life & Casualty, Battle Creek, had \$345,886,000 insurance in force at the end of 1957, a 26% gain over 1956. Assets at year end totaled \$12,628,000, a 15% increase; and surplus to policyholders increased \$300,000 to a new high of \$2,447,000. Gross premiums collected during 1957 amounted to \$11,446,000.

## The NATIONAL UNDERWRITER

The National  
Weekly Newspaper of  
Life Insurance



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### CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.



## American Legion To Offer Group Life

Climaxing more than a year of investigations and study American Legion announced in Washington D. C. it plans to offer a voluntary group life insurance program to its more than 2.7 million members throughout the world.

It will be made available to members through age 69, with benefits ranging from \$4,000 to \$250, the amount depending upon the member's age at time of death.

Occidental Life of California has been selected as the insurer in all states and territories where it operates, and in Canada, as well as on overseas posts. U. S. Life has been named the insurer for the balance of the cases.

Enrollments will be by local posts and when a minimum of 75% of the eligible members of a post who are actively employed enroll, they will be accepted automatically. Otherwise acceptance is determined by special underwriting rules.

Death benefits through the following ages are: Age 34, \$4,000; 44, \$2,250; 54, \$1,100; 59, \$600; 64, \$400; 69, \$250. Insured members attaining age 70 cease payment of premiums and insurance terminates.

In making the announcement American Legion officials stated the plan is not designed to replace members' present life insurance coverage. Their goal is to make available additional insurance protection at a low cost as a service to their members. They pointed out that an extremely large number of veterans have dropped their National Service Life Insurance.

According to President Horace W. Brower, Occidental submitted several plans to the insurance committee of the legion at their request. The company, with more than \$3 billion of group in force at the end of 1957, has had considerable experience in this field, including nearly 20 years as the joint underwriter of California Veterans Home Protection Plan covering some 75,000 California veterans. The Cal Vet plan provides both life and disability benefits to help veterans and their families pay the remaining debts on homes and farms purchased through the veterans welfare bureau.

## Pyramid, Reserve Life Get Stay Orders In Okla.

Pyramid Life of Kansas City, whose license was cancelled in Oklahoma by Commissioner Hunt, has obtained a district court stay order at Oklahoma City preventing the cancellation. The original action, which was reported in the Feb. 15 issue, was based on the accusation that the company evaded taxes by claiming to have made investments in the state that were not completed. In addition to ordering revocation of the license, Mr. Hunt ordered the company to pay \$39,792 in taxes and penalties.

The restraining order was granted on the company's application by Judge W. R. Wallace Jr., who also directed that the company post a bond of \$75,000 pending a final ruling. In the meantime, the court order permits Pyramid to continue its operation in the state.

In a similar case, Reserve Life of Dallas has obtained a stay order and posted \$156,000 bond. Commissioner Hunt assessed this company \$86,000 in back taxes.

## Application Forms Available Now For MDRT Scholarships To Purdue, S.M.U.

Application forms are available now for the four \$300 scholarships established last year by the Million Dollar Round Table to provide tuition at the life insurance marketing institutes of Purdue university and Southern Methodist university.



Arthur F. Priebe

Announcement of this was contained in a recent letter to Round Table members from MDRT Chairman William D. Davidson, associate manager of Equitable Society at Chicago, so that they might encourage possible candidates to apply.

Educational directors of life company home offices are receiving an announcement, together with copies of the application and the suggestion that it might warrant publicity in company publications. The fact that application forms are available is also being announced through the insurance press.

The scholarship project is under the direction of Arthur F. Priebe, Penn Mutual Life, Rockford, Ill., a past chairman of the MDRT, who heads a subcommittee of the MDRT public relations committee. The latter has as chairman William T. Earls, general agent of Mutual Benefit Life at Cincinnati, also a former MDRT chairman.

One of the purposes for which the Round Table was founded was "... to maintain and improve the professional

standards and prestige of life underwriters..." The public relations committee believes the granting of scholarships would help to accomplish this purpose, first, by the actual financial help to deserving agents who receive the scholarships, and, second, by focusing the attention of the life insurance home offices, general agents, and managers on the Round Table's belief in the effectiveness of the Purdue and S.M.U. schools of life insurance marketing.

The committee pointed out in its report at the 1957 annual meeting that 78.6% of the schools' graduates have a record of being in the business by the end of their sixth year following induction, as against a six-year industry average of probably 10%.

Applicants are asked to complete the form and send it to the public relations committee, Million Dollar Round Table, Room 2805, 1 North LaSalle street, Chicago 2. A committee of Round Table members, in cooperation with representatives of Purdue and Southern Methodist, will choose the scholarship winners.

### Must Be Agent For 6 Months

An applicant must have completed a minimum of six months as a full-time agent or broker at the time he applies. No student presently enrolled in either the Purdue or S.M.U. institute is eligible for a scholarship. Scholarships will cover the basic and senior courses at S.M.U. or the basic, intermediate and advanced courses at Purdue. No scholarships are offered for induction courses, seminars, and the like. A successful applicant must be attending classes at either of the two institutes within six months of the date his scholarship is awarded, or the award will be forfeited.

The application form asks for a considerable amount of detailed information for the judges' guidance. Some questions are to be completed by the manager, general agent, or home office: Was the agent given the *Aptitude Index* as published by LIAMA at the time of his induction? What was his score? Date of test? Financial arrangements—commissions only, advance, or salary? Current monthly advance or salary amount? Paid production and commission earnings for the 12 months immediately preceding date of application? How many of these policies are no longer in force? Approximate percentage division of applicant's production during the preceding 12 months among (1) package or single-need selling; (2) simple program with social security; (3) complete programming service; (4) business and estate problems.

### Covers Tuition Only

The applicant signs a statement to the effect that he understands that the scholarship covers tuition only and that he will assume full responsibility for other expenses. He agrees that, if accepted, he will comply with all campus and insurance-institute rules and regulations. He is given the option of choosing between Purdue and Southern Methodist.

The committee is hopeful that wide distribution of the scholarship form through the home offices and publicity in the trade press will result in a large number of applications from deserving agents.

## Met Sales Up 19.4%; \$8,579,000,000 Sets Record For Company

NEW YORK—Metropolitan Life's 1957 figures released this week show total sales of \$8,579,000,000, up 19.4%. The increase for regular ordinary was 58.4%. There was some falling off in group and weekly premium industrial.

Payments to policyholders and beneficiaries in 1957 totaled \$1,513,000,000, exceeding the \$1½ billion mark for the first time. It was the fifth year in a row in which these payments have topped a billion dollars. Of the 1957 total, \$481,000,000 was in death claims.

Life insurance in force Dec. 31 amounted to \$79,859,000,000, the largest amount for any company. It rose 9.6% during the year. About 41 million persons have some form of Metropolitan coverage, up about a million during 1957. Insurance in force consisted of \$48,889,000,000 individual and \$30,970,000,000 group.

Assets stood at \$15,536,000,000, up \$751 million during the year. Liabilities were \$14,602,000,000, of which \$12,995,000,000 was the statutory reserve. Surplus was \$934 million, about 6.4% of obligations.

Earnings before federal income taxes, but after deducting investment expenses, were 3.75% on total invested assets and cash on hand, as against 3.67% for 1956. Federal income taxes reduced the 1957 return to 3.46%, as against 3.39% in 1956.

Mortality was slightly higher than in 1956. The increase was mainly due to Asiatic flu.

## Joy Luidens Resigns As Chicago Assn. Secretary

(CONTINUED FROM PAGE 2)

100% association membership, the saturation point in this locale has about been achieved. New members were found in plenty in the outlying areas, however, and now there are two additional arms of the group in the city: West Suburban and North Shore.

Mr. Krueger in his announcement to the membership said: "The association under her aggressive management has made great strides, not only in attaining a large membership but, most important, in our public service programs. The CALU has been part of Chicago's business world, and if we are to pass any credits, we must admit that her devoted and dedicated service have long been acknowledged the key to our successful operation..."

Kathryn Garabrant has also given dedicated service to the Chicago association. In her 22 years as assistant secretary, "she has also been most active in membership promotion and is thoroughly familiar with management of the association office in its many diversified activities," said President Krueger.

In addition to her duties with the association, she has attended for three years Institute for Trade Assn. Executives sponsored by American Society of Assn. Executives at Northwestern University. She is also currently finance chairman of Metropolitan Business Professional Club, of which she has been an active member for a number of years.

Mrs. Marie Johnson, a member of the office staff for 17 years, continues in her present capacity.

## N. Y. A&H Club To Hear Report On Legislation

William S. Thomas, associate actuary of Metropolitan Life, will give an up-to-date view of "Legislative Developments in Health Insurance" to New York Accident & Health Club at a dinner meeting March 4.

Mr. Thomas will discuss current legislative measures on both the state and national levels, with particular attention to the Forand bill before Congress and the Harriman and Metcalf proposals before the New York legislature and their possible far-reaching effect on the A&S business. He is responsible for the actuarial aspects of Metropolitan's group underwriting and premium rates.

## N. Y. Managers Group Hears Talk By Mitchell

NEW YORK—Midtown Managers Assn. at its February meeting heard a talk by Robert B. Mitchell, executive editor of THE NATIONAL UNDERWRITER Life Edition.

Mr. Mitchell gave his views on the significance of such developments as jumbo group, the bank-loan plan, life companies' national advertising, motivation research in life insurance distribution costs, sale of mutual fund shares by life agents, New York's extraterritorial laws, the competition among larger life companies, and the possibility that names of screened and thoroughly qualified prospects might become available through organizations devoted to this work.

Michael J. Denda, Union Mutual Life's resident vice-president at New York and president of the association, conducted the meeting.

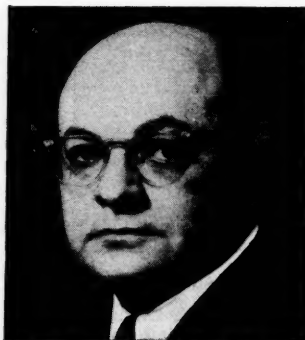
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for a finance company.  
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◀ **CHARLES E. MITCHELL**  
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